

CITY OF BURLINGTON NORTH CAROLINA

"Connecting the Triad & Triangle"



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2015

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF BURLINGTON

FISCAL YEAR ENDED JUNE 30, 2015



CITY COUNCIL

RONNIE K. WALL, MAYOR
CELO I. FAUCETTE, JR., MAYOR PRO TEM
ROBERT M. WARD, COUNCILMEMBER
JAMES B. BUTLER, COUNCILMEMBER
KATHRYN O. HYKES, COUNCILMEMBER

CITY MANAGER
HAROLD OWEN

DIRECTOR OF FINANCE AND RISK MANAGEMENT
PEGGY B. REECE, CPA

Prepared by the City of Burlington Finance Department

CITY OF BURLINGTON, NORTH CAROLINA

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CITY OF BURLINGTON

P.O. Box 1358~ Burlington~ North Carolina 27216~1358

FINANCE DEPARTMENT

Phone (336) 222-5060

October 30, 2015

The Honorable Mayor, Members of the City Council, and Citizens of the City of Burlington, North Carolina:

The **Comprehensive Annual Financial Report** of the City of Burlington, North Carolina, for the year ended June 30, 2015, is submitted for your review. This report was prepared by the City's Finance Department and it is the comprehensive publication of the City's financial position and results of operations for the fiscal year ended June 30, 2015, for all funds and the component unit of the City. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with city management. To provide a reasonable basis for making these representations, we have established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Burlington's financial statements in conformity with generally accepted accounting principles (GAAP). Because the costs of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we believe the data, as presented, are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and component unit of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City is required by North Carolina General Statutes Section 159-34 to have an annual independent audit. A compliance audit on federal and state financial assistance programs is also required under the Federal Single Audit Act of 1984 and the U. S. Office of Management and Budget's Circular A-133, Audits of States, Local Governments, and Non-profit Organizations, and the State Single Audit Implementation Act. The City of Burlington's financial statements have been audited by Stout, Stuart, McGowen & King, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Burlington for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Burlington's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is included in the financial section of this report. In addition, the auditor's report, required as part of a single audit, is found in the Single Audit Section of this report. This report focuses not only on the fair presentation of the financial statements, but also on the City's internal controls and compliance with legal requirements involving the administration of state and federal awards.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Burlington's MD&A can be found immediately following the report of the independent auditor.

CITY PROFILE

The City of Burlington, incorporated on February 14, 1893, is located in the Piedmont Region of Central North Carolina along Interstate Highways 85/40. The City is the largest municipality in Alamance County, with a land area of 34.76 square miles and a population of 51,812. The City is empowered by statute to levy an annual ad valorem property tax on the appraised value of all real and tangible property except manufacturers, retailers and wholesalers inventory located therein. The City is also empowered by statute to extend its corporate limits by annexation. Since January 1980, the City has annexed 18.07 square miles, which includes its most recent annexations of .011 square miles. These annexations represent industrial and institutional properties. The City generally annexes on a voluntary basis.

The City of Burlington operates under the council-manager form of government. Policy-making and legislative authority are vested in the City Council, which consists of a mayor and four council members. The City Council members are responsible for the government and general management of the City, approve and amend all general and technical ordinances, including budgetary appropriations and construction and zoning ordinances, approve all contracts, and appoint the City Manager and City Attorney. Council members are elected at large to four-year staggered terms, and the Mayor is elected to a two-year term. The Mayor presides at all meetings of the City Council, and has the right to vote upon all issues, but has no additional vote in case of a tie and no veto power.

The City Manager is responsible for carrying out the policies and ordinances of the Council and administering the daily operations and programs of the City through appointed department heads and their staff members.

The City of Burlington provides a full range of services to its citizens, including police and fire protection, construction and maintenance of streets and other infrastructure, traffic control, recreational activities, cultural events, and sanitation in the form of solid waste collection. The City also owns and operates a cemetery and a golf course. In addition, the City operates a water treatment and distribution system, a sewer treatment and collection system, and a storm water fund.

The annual budget serves as the foundation for the City of Burlington's financial planning and control. The North Carolina General Statutes require all governmental units to adopt a balanced budget by July 1 of each year for all funds for which an annual budget is required. Activities of the General Fund, Special Revenue Funds (except for Grant Project Funds), and Proprietary Funds are included in the annual appropriated budget. Project-length financial plans are adopted for Grant and Capital Project Funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by the department level within the funds. Any increase or decrease in the original budget as adopted must be approved by City Council. The City also maintains an encumbrance accounting system as one technique to accomplish budgetary control. Encumbered amounts lapse at year end; however, outstanding encumbrances generally are re-appropriated as part of the following year's budget. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund the budgetary comparison is presented in Exhibit 5, page 7, as part of

the Basic Financial Statements pertaining to the governmental funds. For other governmental funds with annual and project-length budgets, detailed budget to actual comparisons are presented in the supplementary information subsection of this report, which starts on page 81.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Burlington, North Carolina operates.

Local Economy

For the prior fiscal year, the City of Burlington's economy saw a significant rise in the GDP within the past year according to Dixon Hughes Goodman Triad Business Index. For fiscal year ending June 30, 2015, the Dixon Hughes Goodman Triad Business Index increased 1.8% for the Triad area. The City itself has continued to maintain the cost-saving mindset begun in the fall of 2008. There continues to be opening and closing of some small retail stores and businesses throughout the area. There have been no significant losses of businesses. The year ended June 30, 2015, has seen a minimal increase in the water and sewer revenues. Below you will find noted some of the more significant economic activity occurring in the area.

Downtown Burlington continues to reap benefits from the revitalization efforts that began with the opening of the Company Shops Market over four years ago. There are events scheduled for each month throughout the year that bring patrons to the downtown area during the evening/weekend hours. Currently, a building renovation is taking place on an old structure that will house a brewery and a restaurant.

The Burlington-Alamance Regional Airport is swiftly becoming an integral economic development provider to the region. Including the aircraft jet engine manufacturer Honda Aero, more than 230 people are employed within the numerous aviation related businesses. Of these businesses, international clients are becoming aware of the "specialty" work being done here. We are seeing aircraft being shipped to Burlington from around the globe for such "specialty" work. Having extended the runway to a length of 6,405 feet, corporate aircraft are now able to fly nonstop to and from the west coast. With this, we are experiencing an influx in operations of larger corporate aircraft.

Sheetz, a family-owned convenience store chain, held their ribbon-cutting ceremony on its new distribution and manufacturing facility in November 2014. Their new facility in Burlington supports the company's retail locations in Virginia, West Virginia, and North Carolina. The new, 250,000 square-foot center represents a \$32.8 million investment in the community and has brought 253 new jobs.

Walmart is another corporation choosing to build a distribution center approximately 5 miles to the east of Burlington. While this center is not within the City limits of Burlington, it will still have an impact. Walmart originally planned to build a 450,000 square foot distribution center at the 186 acre site south of interstate 85. However, this past summer, the company notified surrounding municipalities that they were also going to add another 77,000 square feet to use for Sam's distribution. The first facility is expected to hire 450 employees and with the addition another 100 individuals are expected to be hired. Walmart is investing approximately \$85 million at the site which is expected to open in 2016.

In addition to the Walmart Center, there are several other companies who have made commitments to build distribution and manufacturing centers, all within a 10 mile radius of the City limits of Burlington. The investments from Southern Season, Kidde, CBC Americas, Lidl, and GKN Driveline total \$145

million as well as approximately 300 new jobs created. Again, while these centers are not within the City limits of Burlington, they will still have an impact on the economy for the City.

Shown below are the ten largest employers within the City of Burlington.

**City of Burlington, North Carolina
Principal Employers
June 30, 2014**

<u>Name of Employer</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>
Alamance-Burlington School Sys	Public Education	3,329
LabCorp, Inc.	Medical supplies, services & facilities	2,500
Alamance Regional Medical Ctr	Health Care	2,240
Elon University	Higher Education	1,403
Wal-Mart Stores, Inc.	Retail Sales	1,000
Alamance County Offices	Local Government	956
City of Burlington	Local Government	806
GKN Driveline North America	Automotive Equipment	800
Alamance Community College	Higher Education	652
Honda Power Equipment	Equipment	600

Alamance County's unemployment rate is heading down after the peak reached in January of 2010 as evidenced in the following table.

	% Unemployment (Alamance County)										
	<u>05</u>	<u>06</u>	<u>07</u>	<u>08</u>	<u>09</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>13</u>	<u>14</u>	<u>15</u>
Jan	6.1	5.5	5.7	5.4	10.8	12.4	10.4	9.1	8.7	6.1	5.3
Feb	6.5	5.7	5.4	5.4	11.2	12.3	10.0	9.0	8.2	6.2	5.0
Mar	5.9	5.2	4.9	5.2	11.2	11.7	9.5	8.5	7.6	6.0	4.9
Apr	5.7	5.1	4.8	5.1	11.5	11.1	9.3	8.1	7.4	5.2	4.6
May	6.0	5.5	4.9	5.6	11.5	11.0	9.5	8.4	7.6	5.8	5.4
Jun	6.3	6.0	5.4	6.2	12.0	11.0	10.3	9.1	8.1	5.9	5.7
Jul	6.4	6.2	5.4	6.5	12.3	10.9	10.2	9.3	7.8	6.3	5.9
Aug	6.2	5.9	5.1	6.7	12.0	10.5	10.1	8.9	7.3	6.1	
Sept	5.9	5.3	4.7	6.2	11.8	9.8	9.4	8.0	6.5	5.2	
Oct	5.8	5.0	4.7	6.3	11.8	9.7	9.3	8.1	6.6	5.1	
Nov	5.9	5.3	4.7	8.3	11.8	10.2	8.8	8.0	6.2	4.9	
Dec	5.2	4.8	5.0	9.4	12.2	9.8	8.7	8.1	5.9	4.6	

Source: Bureau of Labor Statistics

The following is a comparison of average annual unemployment rates (%) for the County, State and United States. The average unemployment rate in Alamance County and the nation for the seven months calendar year-to-date is 5.3%. The state's rate for this same time period is a little higher at 5.8%.

Comparison of average annual unemployment rates (%) for the County, State & US

Year	County	State	US	Year	County	State	US
1998	2.9	3.5	4.5	2007	5.1	4.7	4.6
1999	2.4	3.2	4.2	2008	6.4	6.1	5.8
2000	3.1	3.7	4.0	2009	11.7	10.6	9.3
2001	5.5	5.5	4.7	2010	10.9	10.9	9.6
2002	7.2	6.6	5.8	2011	9.6	10.2	8.9
2003	7.1	6.4	6.0	2012	8.5	9.2	8.1
2004	6.2	5.5	5.5	2013	7.3	7.9	7.4
2005	6.0	5.2	5.1	2014	5.6	6.1	6.2
2006	5.5	4.7	4.6	2015	5.3*	5.8*	5.4*

*Through July 2015

Source: Bureau of Labor Statistics

The City has maintained a stable financial condition in spite of the continued lackluster in the national and local economy. The Dixon Hughes Goodman Triad Business Index has gained 1.6% over the past 12 months. The number of building permits issued remains consistent with the numbers issued in the previous year. Both of these are indications of the economy improving, albeit a slow but steady climb in a positive direction for the City of Burlington.

Located on the Interstate Highways 85/40, between the larger cities of Greensboro (to the west) and Raleigh (to the east), the City of Burlington remains in an ideal position for growth. In addition, the Burlington Downtown Corporation, a component unit, has initiated a master plan for redevelopment of the downtown area. The Company Shops Market, a cooperatively owned, full-service grocery store and café opened in May of 2011. In the spring of 2013, Elon University opened a 1,700-square-foot building, located across the street from May Memorial Library. Currently, another building is undergoing renovation with plans for a restaurant and brewery.

Another major milestone for the City of Burlington is the decision by City Council in June of 2014 to bring a mass transit system to the City. Gibsonville and Alamance County are the only local governments that chose to participate with the City of Burlington. The bus system has been named the "LINK Transit System" and an advisory board has been established by the respective governing boards. It is anticipated that the busses will begin rolling down the streets of Burlington sometime late Spring or early summer in 2016.

Long-term Financial Planning

(1) Water and Sewer Resources Issues/Stormwater Issues

The City (Engineering) has continued to administer construction contracts for the replacement of deteriorating two-inch water lines. This is an ongoing process for the water and sewer distribution systems.

Work was started in the prior fiscal year on two outfall lines that were beginning to show wear & tear from their age, the Little Alamance Creek Sewer Outfall and the Haw River Interceptor. The Little Alamance Creek Sewer outfall was completed in December 2015. Work on the second phase of the Haw River Interceptor during the 2014-2015 fiscal year has resulted in this line being 60% complete.

Of the remaining line to be replaced, 20% is expected to be completed during the 2015-2016 fiscal year, with the remainder to be completed in the following fiscal year.

- (2) Currently, a study is being performed on the Ed Thomas Water plant to determine what kind of upgrades, if any, are required. Since the study is not complete, it is unknown how extensive any upgrades that may be required, and likewise, the costs for such upgrades is unknown.

- (3) ERP

Enterprise Resource Planning (ERP) is a financial and business computer system that integrates all departments and functions across the City with one single, powerful, yet easy to use, computer system. Due to constant changes in the computer/information technology field, as well as changes in federal and state laws, there will always be updates to our existing software that need to be implemented. Beginning in the fall of 2015, the City will be converting its financial and business software due to the current software being phased out of existence.

The City was successful in implementing three new payment technologies. The first one was for customers to be able to pay their property taxes on line. The second was a system updating its on line payment capabilities for water and sewer bills. The third system was for the City to use purchasing cards that will enable to City to take advantage of rebates earned from using said cards.

- (4) Transportation

The City Council approved a motion in June 2014 for the City to provide a bus transportation system. There are federal monies available to help with the capital purchases (80% match from federal grants) and the operations (50% match from federal grants) of a transportation system. It is estimated that the bus transportation system will cost the City approximately \$500,000 in annual operational expenditures.

- (5) Fire Station

The City bought land for the western section of the City that has seen significant growth over the past several years. The building of a new fire station has begun and is currently about 20% complete. The fire station is expected to open in the spring of 2016. This new station will create the need to hire new staff to man the new fire station.

- (6) Capital Improvements

In keeping with the City's goal of reducing expenditures, several capital projects were delayed.

Community Development Block Grant (CDBG) funds were used during the year for several projects meeting the requirements for use of those funds.

Housing Projects: The Housing Rehabilitation Program provided funds to correct Minimum Housing Code violations, to reduce lead-based paint hazards and to improve the energy efficiency in single-family dwellings occupied by low- and moderate-income households. As of June 30, 2015, the City completed the rehabilitation of ten (10) owner-occupied houses. As a further strategy to create

opportunities for homeownership for low and moderate-income households, the City supported the activities of non-profits to develop affordable housing. The City assisted Alamance County Community Services Agency (ACCSA), a Community Housing Development Organization (CHDO), continued endeavors to develop homes at the Apple Tree Village subdivision on city-owned lots. During the program year 2014 ACCSA worked on crediting issues with another potential homeowner and has started a project in July 2015. The City also assisted Habitat for Humanity of Alamance County, NC, another Community Housing Development Organization (CHDO), with the development three scattered site housing for low income individuals. These homes were sold and closed by Habitat during the 2014 program year. Habitat and ACCSA are working jointly through an approved City partnership to finish the development of the Apple Tree Subdivision. Both organizations have started construction on two homes and plan to complete more during the upcoming program year.

Public Facilities: In the five-year strategic plan, CDBG proposed to undertake one new public facility or infrastructure improvement project per year to ensure new or improved availability/access to a suitable living environment for low- and moderate-income area residents. During the program year, the City launched several projects that include a new culvert on Friendly Rd; installed new gym flooring at North Park Community Center; and completed a new bathroom improvement for women and children at Allied Churches.

Public Services: In the five-year strategic plan, the City planned to fund activities under the public service category of the Community Development Block Grant (CDBG) program. The City assisted in funding for materials and books at the North Park Library; and assisted Burlington Development Corporation with match funding for two housing programs served by 22 people in the City.

The CDBG Division also established multiple projects for the upcoming fiscal year 2015-16.

(7) Plans For Debt Issuance

There are plans to continue the annual installment purchase agreement that provides funding for approximately \$1 million to \$1.5 million in capital equipment in the General Fund that the City purchases each fiscal year. This policy allows for ongoing purchases of equipment without causing major fluctuations in each annual budget.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Burlington for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014. This was the sixteenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

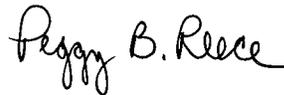
The preparation of this comprehensive annual financial report would not have been possible without the dedication and collective efforts of the entire staff of the Finance and Risk Management Department. We would like to take this opportunity to express gratitude to all members of the department for their efforts. In addition, it is also important to express appreciation to the City Department Heads who supply information regarding the numerous projects with which they are involved.

Finally, credit must be given to the Mayor and City Council members for their unfailing support and for maintaining the highest standards of professionalism and fiduciary responsibility in the management of the City of Burlington's finances.

Respectfully submitted,

Handwritten signature of Frank F. Hope, II in black ink, featuring a stylized 'F' and 'H'.

Frank F. Hope, II
City Manager

Handwritten signature of Peggy B. Reece in black ink, written in a cursive style.

Peggy B. Reece, CPA
Director of Finance & Risk Management



Government Finance Officers Association

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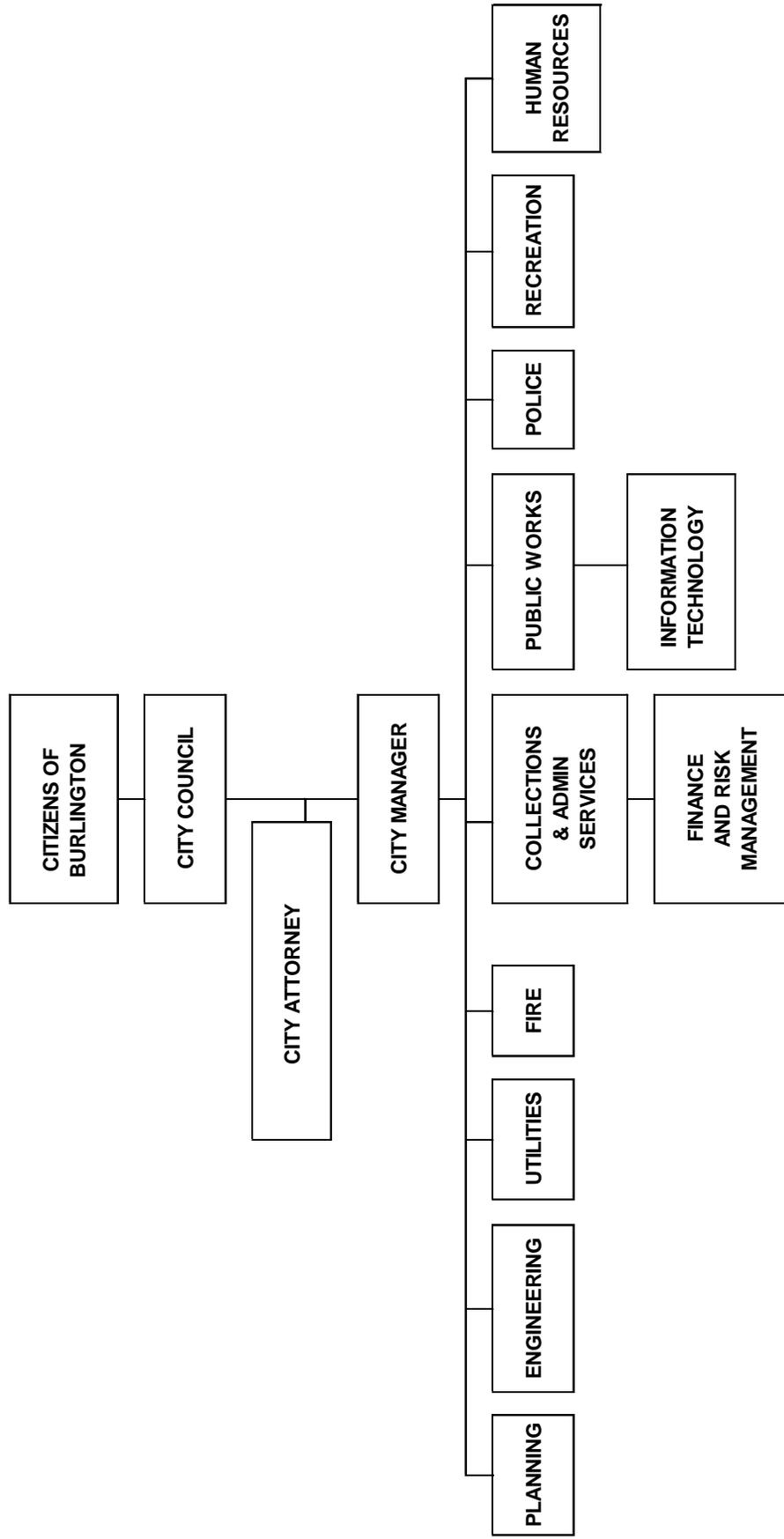
**City of Burlington
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

CITY OF BURLINGTON, NORTH CAROLINA
ORGANIZATIONAL CHART



CITY OF BURLINGTON

List of Principal Appointed Officials For the Fiscal Year Ended June 30, 2015

City Manager	Harold T. Owen
City Attorney	David R. Huffman
Director of Administrative Services and Revenue Collections	Frank F. Hope, III
Utilities Director	Robert Patterson, Jr.
Human Resources Director	Aaron P. Noble, Jr.
Recreation and Human Services Director	Anthony G. Laws
Public Works Director	Nolan P. Kirkman
Director of Finance and Risk Management	Peggy B. Reece, CPA
Police Chief	J. Jeffrey Smythe
Fire Chief	Jay A. Smith
Director of Information Technology	Rodger Burden
City Engineer	Albert L. Rhew
City Planner	Amy L. Nelson





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INDEPENDENT AUDITOR'S REPORT

To The Honorable Mayor and
Members of the City Council
City of Burlington
Burlington, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Burlington, North Carolina as of and for the year ended June 30, 2015, 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.

Auditor's 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 of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. The financial statements of Burlington Downtown Corporation were not audited in accordance with *Government Auditing Standards*.

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.

Opinions

In our opinion, based upon our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Burlington, North Carolina as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance's and the Other Postemployment Benefits' Schedules of Funding Progress and Schedules of Employer Contributions on pages 50 and 51 and 52 and 53 respectively, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset and Contributions, on pages 54 and 55, respectively, and the Firefighter's and Rescue Squad Workers' Pension Fund's Schedule of the Proportionate Share of Net Pension Liability on page 56 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 general accepted in the United State 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Burlington's basic financial statements. The introductory information, combining and individual fund financial statements, budgetary schedules, other schedules, statistical section as well as the accompanying schedule of expenditures of federal and state awards as required by U.S. Office of management and Budget Circular A-133, , *Audits of State and Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 by us. In our opinion, based on our audit, the procedures performed as described above, and the combining and individual fund financial statements, budgetary schedules, other

schedules and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory information and the statistical sections have not been subjected to the auditing procedures applied in the audit of basic financial statements, and accordingly, we do not express an opinion or provide assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2015 on our consideration of the City of Burlington's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Burlington's internal control over financial reporting and compliance.

STOUT STUART MCGOWEN & KINGS LLP

October 30, 2015

City of Burlington, North Carolina

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Burlington, we offer readers of our financial statements this narrative overview and analysis of the financial activities of the City of Burlington for the fiscal year ended June 30, 2015. The Management's Discussion and Analysis (MD&A) section is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial condition, identify material deviations from the financial budget, and identify individual fund issues or concerns.

We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the transmittal letter, which can be found on pages i-viii of this report, and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Burlington exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$291,103,053 (net position). Of this amount, \$89,301,169 may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$6,976,150 (2.46%) compared to fiscal year 2014. The governmental net position increased by \$2,756,344(2.3%), and the business-type net position increased by \$4,219,806 (2.56%).
- During the year, the City's governmental expenses were \$52,402,672, an increase of \$581,735, while expenses in the business-type activities were \$24,189,833, an increase of \$1,668,382.
- At the end of the current fiscal year, the City of Burlington's governmental funds reported combined ending fund balances of \$61,368,589, an increase of \$607,889 in comparison with the prior year. Approximately \$12,448,091 (or 20.3%) is available for spending, with \$43,448,480 designated for specific purposes.
- At the end of the year unassigned fund balance for the General Fund was \$12,468,373, or 23.6% of total General Fund expenditures of \$52,947,046.
- The General Fund budget for fiscal year ending 6/30/15 was adopted with a \$.58 per \$100 assessed valuation tax rate, which is the same as fiscal year 2013-2014.
- The City of Burlington's total long-term debt decreased \$9,785,650. There was a decrease of \$6,652,931 in the governmental activities and a decrease of \$3,132,719 in the business-type.

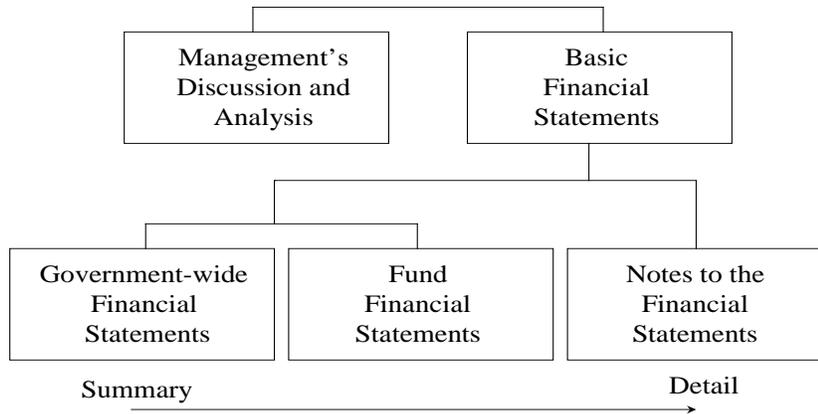
The City has maintained its GO bond rating with both Standard & Poor's Corporation at AA and Moody's at Aa2. The City has also maintained the same ratings of its 2011 and 2010 Revenue Bonds. The 2010 and 2011 Revenue Bonds were rated AA at Standard & Poor's Corporation. In October 2015, Moody's reviewed the City's Revenue bonds and the rating was upgraded from Aa3 to Aa2.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Burlington's basic financial statements. The City's basic financial statements consist of three components: (1) Government-Wide Financial Statements, (2) Fund Financial Statements, and (3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Burlington.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the City's financial status.

The next statements (Exhibits 3 through 8) are the **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: (1) the governmental funds statements; (2) the budgetary comparison statements; and (3) the proprietary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the City's individual funds. Budgetary information required by the NC General Statutes also can be found in this part of the statements.

A. Government-wide financial statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The two government-wide statements report the City's net position and how it has changed. Net position is the difference between the City's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the City's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the City's basic services such as public safety, public works, parks and recreation, and general administration. Property taxes, sales taxes, and State and federal grant funds finance most of these activities. The business-type activities are those that the City charges customers to help cover the cost of certain services it provides. The City's water and sewer activities are included in this category. The final category is the component unit. The City includes one discretely presented component unit entity in its report. Financial information for the Burlington Downtown Corporation is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements are Exhibits 1 and 2 of this report.

B. Fund financial statements

A "fund" is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Burlington, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance with finance-related legal requirements such as the General Statutes of North Carolina and the City's budget ordinance. The fund financial statements provide more detailed information about the City's major funds while focusing on the fiscal accountability, and are used to account for specific sources of funding such as those required by state law, bond covenants, and spending for particular purposes. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City of Burlington adopts an annual appropriated budget for its General Fund, as required by the General Statutes of North Carolina. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the City Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: (1) the original budget as adopted by the City Council; (2) the final budget as amended by the City Council; (3) the actual resources, charges to appropriations, and ending balances in the General Fund; and (4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

The basic governmental fund financial statements can be found on pages 4-7 of this report.

Proprietary funds of two different types are maintained by the City of Burlington. *Enterprise funds* are used to report the same functions presented as business-type activities in the government wide financial statements. City of Burlington uses the enterprise funds to account for its water and sewer activity and for the storm water operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Burlington's various functions. The city uses internal service funds to account for its self-insured dental, health, and workers' compensation benefits. Because these internal service funds benefit both governmental and business-type activities, they have been allocated to both based on their respective percentage of personnel costs (including fringe benefits) to total personnel costs.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water Resources Fund and the Storm Water Fund, the only two enterprise fund operations of the City of Burlington.

The basic proprietary fund financial statements can be found on pages 8-11 of this report.

C. Notes to the 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. The notes to the financial statements can be found on pages 12-49 of this report.

D. Other Information

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City of Burlington's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 50 of this report.

E. Interdependence with Other Entities

The City depends on financial resources flowing from, or associated with, both the federal government and the State of North Carolina. Because of this dependency, the City is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign governments and other holders of publicly held U.S. Treasury Securities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The assets and deferred outflows of the City of Burlington, exceeded liabilities and deferred inflows by \$291,103,053 as of June 30, 2015. The City's net position increased by \$6,976,150 for the fiscal year ended June 30, 2015. However, the largest portion (57.8%) reflects the City's net investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt still outstanding that was issued to acquire those items. The City of Burlington uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Burlington's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate those liabilities. An additional portion of the City of Burlington's net position (23.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$89,301,169 is labeled as unrestricted on Exhibit 1. However, included in this unrestricted amount are funds that the City has assigned to future purposes/projects, leaving an unassigned balance of \$12,448,091 as found on Exhibit 3.

Also, the City of Burlington implemented GASB Statement 68 this year. With the new reporting change, the City is allocated its proportionate share of the Local Government Employees' Retirement System's net pension asset, deferred outflows of resources, deferred inflows of resources, and pension expense. A restatement to record the effects of the new reporting guidance decreased beginning net position by \$4,162,560 (Exhibit 2). Decisions regarding the allocations are made by the administrators of the pension plan, not by the City of Burlington's management.

At the end of the current fiscal year, the City of Burlington is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior year.

Figure 2

City of Burlington's Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
ASSETS						
Current and other assets	\$ 79,748,698	\$ 78,550,905	\$ 59,052,513	\$ 63,103,072	\$138,801,211	\$ 141,653,977
Capital assets	64,219,125	61,081,240	155,040,844	148,860,731	219,259,969	209,941,971
Deferred outflow s of resources	1,822,997	-	158,521		1,981,518	-
Total assets and deferred outflow s of resources	145,790,820	139,632,145	214,251,878	211,963,803	360,042,698	351,595,948
LIABILITIES						
Current and other liabilities	5,835,113	6,563,568	6,284,982	6,070,636	12,120,095	12,634,204
Noncurrent liabilities	11,195,894	13,526,672	38,343,379	41,070,315	49,539,273	54,596,987
Deferred inflow s of resources	6,699,417	237,854	580,859	-	7,280,276	237,854
Total liabilities and deferred inflow s of resources	23,730,424	20,328,094	45,209,220	47,140,951	68,939,644	67,469,045
NET POSITION						
Net investment in capital assets	53,722,717	49,762,940	114,539,725	107,207,635	168,262,442	156,970,575
Restricted	14,069,943	19,635,641	19,469,499	21,186,874	33,539,442	40,822,515
Unrestricted	54,267,735	49,905,470	35,033,434	36,428,343	89,301,169	86,333,813
Total net position	\$122,060,395	\$119,304,051	\$169,042,658	\$164,822,852	\$291,103,053	\$ 284,126,903

Several particular aspects of the City's financial operations positively influenced the total unrestricted governmental net position:

- The property tax rate remained the same at \$0.58 per \$100 assessed valuation, while the property tax base increased 0.35% due to minimal annexation and the overall increase in the tax base value of the original tax base. This resulted in a slight increase in revenues collected for property taxes. One reason for this small increase in tax base value is that Guilford County revalued some properties downward, which offset the increases experienced by the City of Burlington.
- Last year the State changed the collection method for vehicle property taxes from being collected by the counties to being collected by the Division of Motor Vehicles when individuals renew their tag for their vehicle. Individuals must now first pay their property taxes before receiving their new or renewed license tag. Due to the overlapping of the two collection methods last year, there was 15 months of revenue in the fiscal year, 2014. For fiscal year 2015, vehicle tax revenues are down when compared to fiscal year 2014, for the reason previously mentioned. However, if one compares fiscal years 2015 versus 2013, there is actually a 17.9% increase in vehicle tax revenues due to the change in the collection method.
- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 98.54%, which is above the statewide average of 98.34%.
- Sales tax revenues increased by 11.7%, continuing a trend from last year. Once again, this is primarily attributed to the Tanger Outlet

which is believed to continue to bring new purchasing traffic from outside the area, as opposed to just moving the sales traffic from one store to another within the county.

The Capital Reserve Fund's Restricted Net Assets decreased by \$5,645,964. There was \$7,547,167 transferred out to capital projects as the expenses for this fund in the year ending June 30, 2015. There were revenues to offset these capital expenditures. The revenue was from two sources, one being interest income earned and the second being a transfer from the General Fund for \$1,850,522.

Figure 3

City of Burlington's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for services	\$ 9,067,531	\$ 7,538,977	\$27,926,883	\$21,449,455	\$36,994,414	\$28,988,432
Operating grants & contributions	7,184,961	5,555,035			7,184,961	5,555,035
Capital grants & contributions			363,481	2,435,648	363,481	2,435,648
General Revenues:					-	-
Property taxes, levied for general purpose	26,338,400	26,866,560			26,338,400	26,866,560
Other taxes	11,566,861	10,407,641			11,566,861	10,407,641
Grants and contributions not restricted to specific programs	4,413,873	3,782,273			4,413,873	3,782,273
Other	416,946	239,570	452,279	6,282,073	869,225	6,521,643
Total Revenues	58,988,572	54,390,056	28,742,643	30,167,176	87,731,215	84,557,232
Expenses:						
General government	8,483,588	9,149,871			8,483,588	9,149,871
Public safety	25,860,337	22,743,048			25,860,337	22,743,048
Public works	8,334,201	11,131,728			8,334,201	11,131,728
Economic and physical development	1,880,541	1,474,928			1,880,541	1,474,928
Cultural and recreation	7,512,715	6,957,606			7,512,715	6,957,606
Interest on long-term debt	331,290	363,756			331,290	363,756
Water and sewer			24,189,833	22,521,451	24,189,833	22,521,451
Total Expenses	52,402,672	51,820,937	24,189,833	22,521,451	76,592,505	74,342,388
Change in Net Position before transfers	6,585,900	2,569,119	4,552,810	7,645,725	11,138,710	10,214,844
Transfers	-	-	-	-	-	-
Increase in net position	6,585,900	2,569,119	4,552,810	7,645,725	11,138,710	10,214,844
Net position-beginning	119,304,051	116,734,932	164,822,852	157,177,127	284,126,903	273,912,059
Prior Period Adjustments	(3,829,556)		(333,004)		(4,162,560)	-
Net position-beginning (re-stated)	115,474,495	116,734,932	164,489,848	157,177,127	279,964,343	273,912,059
Net position-ending	122,060,395	119,304,051	169,042,658	164,822,852	291,103,053	284,126,903

Governmental activities

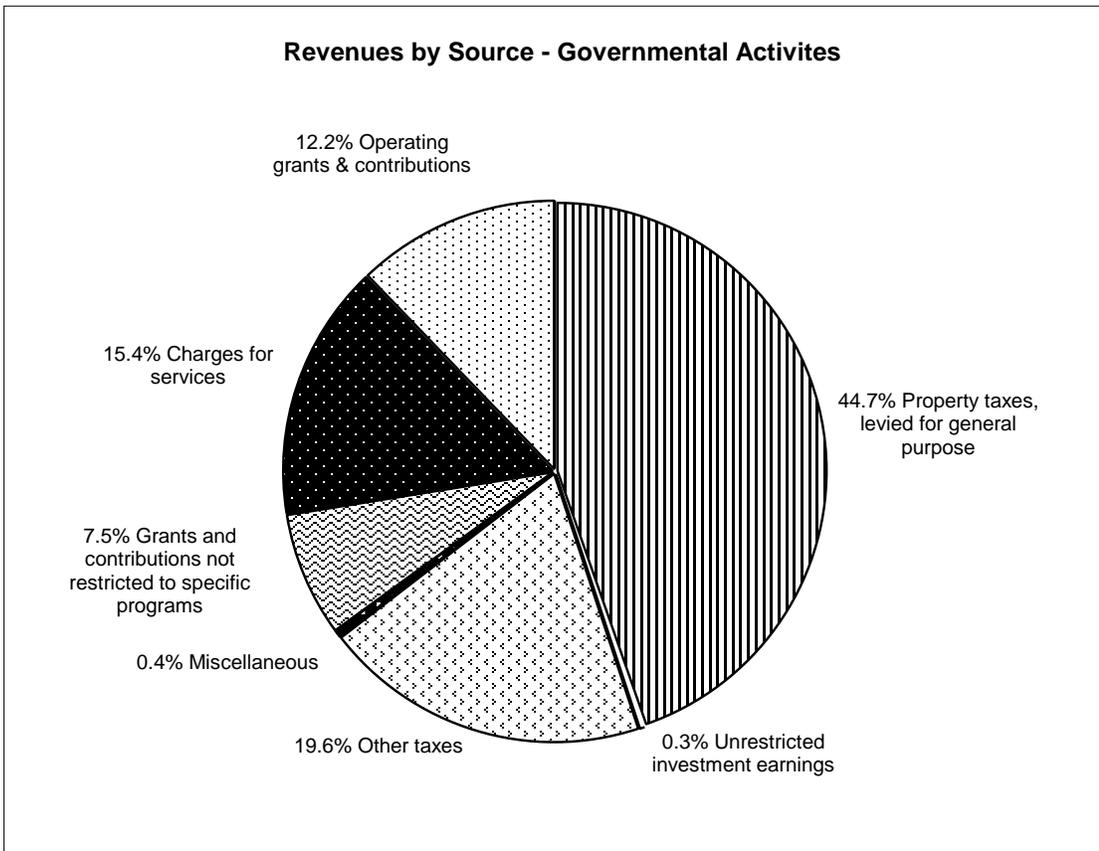
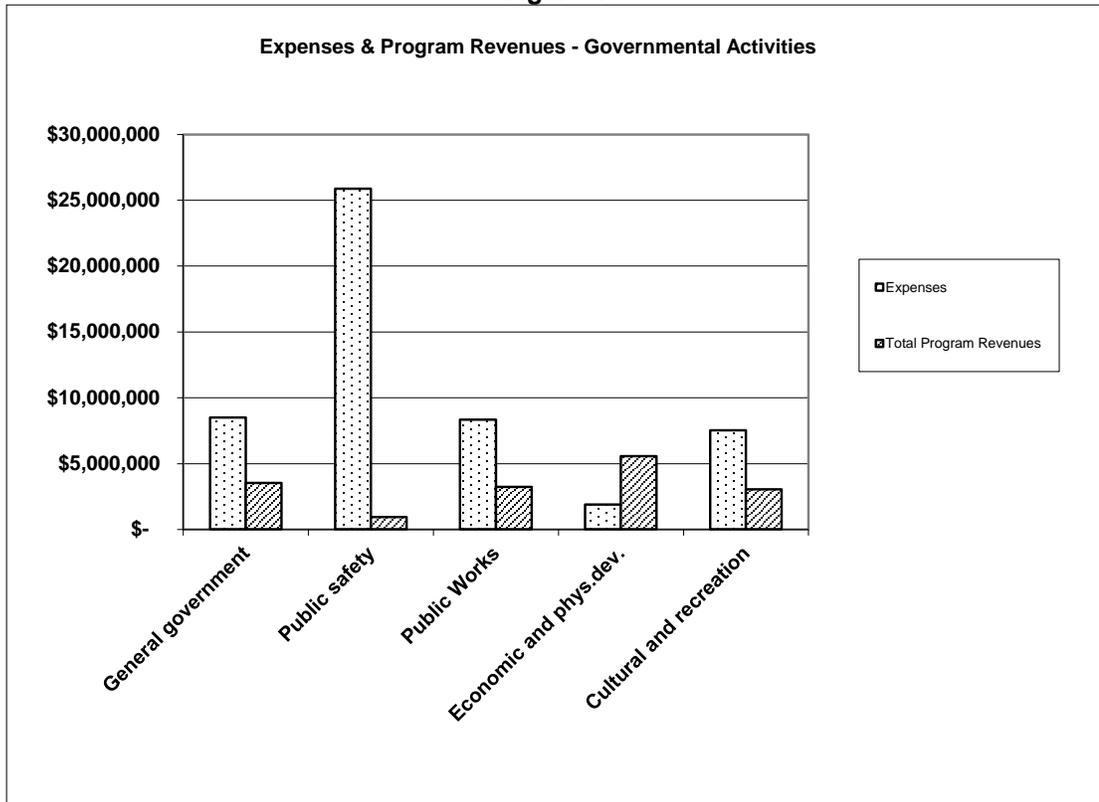
Governmental activities increased the City's net position by \$2,756,344, thereby accounting for 39.5% of the total growth in the net position of the City of Burlington. The increases came from the following funds:

- Sales tax revenues increased approximately \$1,160,426 over the prior year in the General Fund, maintaining the increase in sales from the last year, attributable to an overall favorable outlook on the economy by consumers.
- Property taxes decreased \$528,160 over the prior year in the General Fund. In the prior year the new collection method for vehicle taxes changed from being collected by the county, (3 months after tag renewals) to being collected by the division of motor vehicles at the time vehicle tags are renewed. This created at least 3 months "extra" revenue in the prior year, or 15 months of vehicle tax revenue, instead of just 12 months in the prior year. This gives the appearance of a reduction in the collection of other property taxes for the current year, when in reality, if the extra 3 months are removed, other property tax collections are increasing due to the new collection method.
- Charges for services increased by \$1,528,554 in the General Fund. The primary area affecting this increase is an increase in the Home Program. The remaining increases are due to various increases in both the Cultural and Recreational divisions.
- Contributing to the net increase in net position is the increase in capital assets (net of depreciation) by approximately \$434,330.

Offsetting these increases are the following decreases in revenues and increases in expenses:

- For all of the internal service funds, which are the Dental Self Insurance Fund, Workers Compensation Self Insurance Fund, and Group Health Self Insurance Fund, claims were more than expected and resulted in approximately \$2,756,974 decrease in net position.
- A transfer of \$3,540,000 into the General Fund from the Capital Reserve Fund was made for building the fire station and for paying off some debt early.
- One other accrual increased from the prior year as well, the OPEB liability went up approximately \$540,438.
- Depreciation expense decreased \$23,812 from the prior year.
- Accrued vacation increased \$161,634.

Figure 4



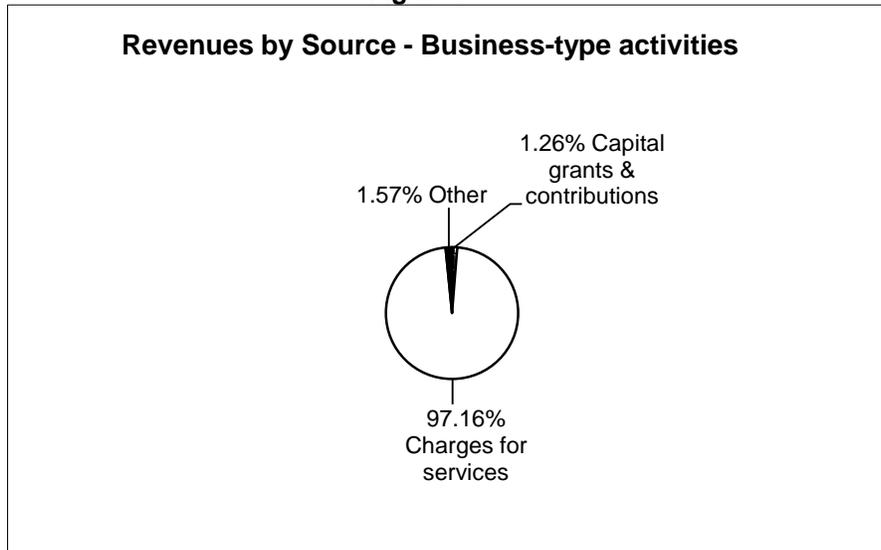
- Ad valorem taxes provided 44.6% of the revenues for governmental activities in the General Fund, with other taxes and licenses providing 19.6% of revenues in the General Fund also.
- Total expenses increased approximately \$311,735 or .5%. With revenues increasing approximately \$4,598,516 million or 5.08%, the total net position increase was 2.30%. Expenses are up due to a payroll study that was performed during 2014 which resulted with employees receiving an average raise of 1.7% or \$1,490,311 increase in pay. The Police Department received over 53% or \$802,840 of the increase for the recruitment and retention pay plan in order to fill vacant positions that had occurred in previous years. There was also a reduction in expenses of \$1,978,371 due to less money being spent in debris removal and \$94,445 decrease in consulting services. Although expenses are up, compared to years past this figure is extremely low and shows how management continues to do a remarkable job finding ways to save money in the long-run.

Business-type activities

Business-type activities increased the City of Burlington's net position by \$4,219,806, accounting for 60.5% of the total growth in the government's net position. Key elements of the increase in net position include some increases and decreases and are as follows:

- In fiscal year 2014-2015, business type activities revenues increased 3.1% for the Water Resources Fund. The first factor was due to a 4.0% rate increase instituted by the City of Burlington for the 2014-2015 fiscal year in the Water Resources Fund. The rate increase amounted to approximately a 4.0% increase for water and sewer rates for all customers, inside and outside the corporate city limits. Even with this increase, Burlington's rates continue to remain below other cities with similar collection and distribution systems.
- Interest expense decreased by \$172,925. This is from the normal attrition of interest being reduced as principal is paid down.
- Offsetting the decrease in interest expense is an increase in the OPEB liability of approximately \$95,370.

Figure 5



- Another factor in the increase in revenues was due to an overall increase in consumption. Sales to the City of Greensboro decreased but this was more than offset by increased consumption by the citizens of Burlington and other outside customers.
- Expenses increased 7% or \$1,668,382 overall. Operational expenditures were approximately \$1,591,122 more than in the prior year. Building and administrative services were up \$509,872 which includes \$79,000 in payroll, \$82,000 in professional services, \$397,000 for administration cost, and \$73,000 for insurance on buildings and vehicles. Customer services are up \$182,000 due to an increase of \$15,000 in payroll, \$28,000 in maintenance and service contracts, and \$79,000 for treating Greensboro sewer. Water & sewer line maintenance and repairs is \$103,000 higher than last year which is due to \$27,000 in payroll, \$35,000 in Outfall rehab and \$21,000 in various repairs throughout the city. Line supervision is down \$33,000 due to payroll and consulting services. Water source protection is up \$50,000; \$17,000 due to maintenance and repairs on equipment and \$31,000 for watershed engineering fees. Water plant operations is up \$99,500 from which \$39,000 due to maintenance and repairs on equipment, \$24,600 consulting services, \$160,000 chemicals, decreases came from \$23,000 in utilities, \$60,000 from maintenance and repairs on buildings and grounds and \$71,000 in maintenance and service contracts. Sewer treatment plant operations is down \$215,000 here again, maintenance on buildings and grounds is down \$124,500, equipment repairs \$128,000, chemicals \$39,000. Offsetting these decreases are increases in payroll \$17,700, utilities \$30,000 and \$23,000 on equipment. Laboratories is down \$64,500 partially due to payroll \$10,600, chemicals \$10,700 and service contracts \$21,000. Overall depreciation expenses were \$671,820 higher than in the prior year. Depreciation increased partially due to finishing up the nutrient removal systems upgrades at our two waste water treatment plants, nearly a \$17,000,000 project. Offsetting these increases in operational expenses was a decrease in interest expense of \$172,925.

- The City operates two enterprise funds, the Water Resources Fund that constitutes most of the business-type activities, and the Storm Water Fund. There is a small allocation of the internal service funds included in the business-type activities.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City of Burlington uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Burlington's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City's financing requirements.

The General Fund is the chief operating fund of the City of Burlington. At the end of the current fiscal year, fund balance available in the General Fund was \$12,468,373, while total fund balance reached \$37,852,823. As a measure of the General Fund's liquidity, it may be useful to compare both available fund balance and total fund balance to total fund expenditures. Available fund balance represents 23.6% of total General Fund expenditures.

At June 30, 2015, the governmental funds of the City of Burlington reported a combined fund balance of \$61,368,589, a \$607,889 increase over last year. Key factors (increases and decreases) in the changes of the fund balances for the governmental funds are noted below:

- The capital reserve fund had a net decrease \$5,645,964, due in part to pay off debt, due to transfers to the General Fund for street improvements and for Fire Station #6 for the construction of the new fire department.
- The Home Program, the Community Development Block Grant, and the Rental Rehabilitation Loan Programs when netted altogether, used and thus decreased fund balance by \$90,402.
- The RICO fund had a decrease in fund balance by \$7,869 after receiving monies from prior drug raids, and expending the money on purchases in the current year.
- The 3,105,233 increase in fund balance in the General Fund is primarily due to capital equipment that did not arrive before year end, a fire truck (\$1,184,649), police vehicles (\$362,716), and street improvements that were not completed by June 30 year end (\$409,652). Revenues did see increases in property taxes, sales taxes and permits. The increase in property taxes is primarily due to the changes in the collection method for vehicle property taxes. Vehicle property taxes are now collected through the NC State Division of Motor Vehicles along with the vehicle tag. As mentioned above, sales taxes is up due in part to consumer confidence as well as a variety of shopping centers such as Alamance Crossing, Tanger Outlet, and various boutiques across the county. Building permits are up, representative of interest rates remaining relatively low to help boost the construction industry.

General Fund Budgetary Highlights. During the fiscal year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: (1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; (2) amendments to recognize new funding amounts from external sources, such as Federal and State grants; and (3) increases in appropriations that become necessary to maintain services.

Differences between the original budget and the final amended budget were approximately a \$9 million increase in appropriations, and the main items can be briefly summarized as follows:

- \$1,608,961 capital equipment financed consisting of new PC's for employees, 2 unmarked police vehicles, equipment for 8 vehicles, office furniture, 10 radar units, the replacement of boilers at the pool, bleachers as well as various other equipment.
- \$2,150,860 for projects carried forwards from the prior year (the main project carried forward was the acquisition of equipment for the new fire department (\$1,179,820).
- \$3,240,179 in year-end adjustments, the largest portion attributable to the early payment of debt (\$2,136,739).
- Other adjustments include \$110,000 for medical services, \$192,000 for an increase in consulting for a unified development plan, \$750,000 for an increase in transfer to capital reserves, \$100,000 for fire uniforms and safety apparel, \$600,000 for fuel purchases.

Differences between the final amended budget and actual amounts can be briefly summarized as follows:

- Ad Valorem tax revenues were greater than final amended budgeted amounts due to a conservative estimate of a 95% collection rate rather than the actual 98.65% rate.
- Vehicle property tax collection experienced a significant increase due to the change in the collection method. Instead of being collected by the county, vehicle property taxes are now collected by the NC State Division of Motor Vehicles. Individuals cannot get a tag for their vehicle without first paying the owed property taxes.
- Sales taxes were up \$1,160,426 primarily due to the steady increase in consumer spending.
- State shared, hold harmless, and privilege licenses were down by \$31,471, due to the decrease in privilege license due to a change in the NC State statutes no longer allowing the collection of privilege license fees.
- Unrestricted intergovernmental fees were up by \$374,716 (7.8%), partly due to the increase in the Utility tax received from the state.
- Permits and fees were \$276,900 (22.3%) over final amended budget primarily due to the increase in both residential and commercial construction being greater than anticipated.
- Investment interest actual earnings were \$69,407 (64.4%) below final amended budgeted revenues due to the continued low interest rate environment.
- General government actual expenditures were \$1,062,891, (10.4%) under final amended budgeted expenditures due to budgeted expenses that were not incurred. Legal expenses were \$254,821 were down due to a full time attorney being hired and no longer contracting out legal. The Planning department had a decrease of \$122,376 due in part to consulting service being down. The overall expenditures for the general fund were down \$685,694 due in part to management being more conservative with spending.
- Public Works actual expenditures were \$883,014(9.0%) under final amended budgeted expenditures primarily due to the maintenance of city streets was in process by an outside contractor but a bill had not been received before year end. Contracted debris removal was also under budget.

Proprietary funds. The City of Burlington's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the Water Resources Fund and Storm Water Fund combined at the end of the fiscal year amounted to \$36,079,693. The total growth in net position was \$4,219,806. Other factors concerning the finances of this fund have already been addressed in the discussion of the City of Burlington's business-type activities.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City of Burlington's investment in capital assets for its governmental and business-type activities as of June 30, 2015, totals \$219,259,969 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles, among other types of assets. This investment represents an increase of \$9,317,998 or 4.4%. The capital asset increases are explained under further down in this section. Also, in accordance with GASB 68, the Pension assets were added to the government wide statements which is \$2,938,647 of the increase over the prior year.

Major capital asset transactions during the year include the following additions (there were no significant demolitions or disposals):

Governmental activities:

Governmental Capital Assets net increased \$3,137,885. Again, in accordance with GASB 68, the Pension assets were added to the government wide statements which is \$2,703,555 of the increase over the prior year.

- Streets and sidewalks increased \$1,730,209. \$1,500,000 represents routine maintenance and repaving of streets, sidewalks, and culverts. \$82,000 was used to provide new handicap sidewalk and intersections projects.
- Construction in progress had a net decrease \$252,652. This consisted of finishing street resurfacing/patching and finishing a new sanitation truck shed. All these were \$2,201,899. Offsetting these decreases were increases of the following: Starts of various new street and sidewalk projects \$19,000, Architectural work on a new animal shelter \$18,000, Parks and Recreation Splash Pad \$103,000 and a new Fire Station \$632,800.
- Buildings had a net increase of \$611,298. This represents new and remodeling of various building projects. Examples include: New sanitation truck shed \$138,000, Fire Station heating system upgrade \$10,000, Athletic stadium renovations \$237,785, Pool renovations \$97,000 and Paramount theater renovations \$26,000.
- Equipment had a net increase \$99,430. The increases are due to computer software and hardware for \$37,500, various public works equipment for \$96,000 and various Park and Recreation equipment \$84,000. Decreases that off-set these increases were write-offs of obsolete items and disposals.
- Vehicles net increase \$302,399. The increase in vehicles is due to the planning department purchase of 1 vehicle \$23,000, police department purchase 1 vehicle and an animal control van \$63,100, firetruck \$485,366 2 sanitation refuse trucks \$281,000 and 2 vehicles for parks and recreation \$111,185. The decreases in vehicles represent the typical activity of disposals of used and worn out vehicles.

Business-type activities:

Business-type Capital Assets net increased \$5,709,929. Again, in accordance with GASB 68, the Pension assets were added to the government wide statements which is \$235,092 of the increase over the prior year.

- The \$19,457,392 increase of water and sewer assets can be attributed to major nutrient removal improvement system projects at both of our waste water treatment facilities. Other smaller projects include \$1,116,651 outfall sewer rehab, \$356,000 for general maintenance and repairs on water lines throughout the city.
- The net increase in buildings is \$980,010. This consists of \$105,212 for Storm Water facilities upgrade, \$47,500 for workshop and equipment shed, \$345,175 Flex Rake Barscreen system at one of our waste water treatment plants, and other various general maintenance and repairs to building.
- General equipment had a net increase \$117,477. This increase consists of \$55,000 for a tractor and mower, \$43,000 for a boring machine and other miscellaneous pieces of equipment. Decreases included normal disposal of obsolete equipment.
- Vehicles had a net increase of \$96,178. This increase consists of 4 vehicles. 3 for use at the waste water treatment plants and 1 for customer services. The decreases in vehicles represent the typical activity of disposals from year to year.
- Construction in progress had a net decrease \$9,378,204 due to the finishing up of the major waste water treatment plant nutrient removal systems and a standby generator system \$15,856,026. Offsetting this decrease was the starting of a sewer lift station upgrade \$45,000, new water line projects \$801,336, and a sewer line project \$5,429,739
- No major demolitions were recorded this year.

Figure 6
City of Burlington Capital Assets
(net of depreciation)

	Governmental		Business-type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Land	\$ 8,628,374	\$ 8,628,374	\$ 6,945,444	\$ 6,945,444	\$ 15,573,818	\$ 15,573,818
Buildings and system	24,441,915	24,843,751	51,489,163	53,076,172	75,931,078	77,919,923
Improvements other than buildings			86,812,479	70,087,495	86,812,479	70,087,495
Machinery and equipment	3,047,105	3,485,085	1,506,308	1,406,309	4,553,413	4,891,394
Infrastructure	18,919,020	17,994,577	79,367	27,677	18,998,387	18,022,254
Vehicles and motorized equipment	5,539,015	5,441,971	1,138,252	1,104,691	6,677,267	6,546,662
Construction in progress	940,134	687,482	6,834,739	16,212,943	7,774,873	16,900,425
Total	\$ 61,515,563	\$ 61,081,240	\$154,805,752	\$148,860,731	\$216,321,315	\$209,941,971

Additional information on the City's capital assets can be found in note III.4 of the Basic Financial Statements on pages 24-25.

Long-term debt. As of June 30, 2015, the City of Burlington had total bonded debt outstanding of \$45,918,005. Of this amount, all is backed by the full faith and credit of the City.

Figure 7
City of Burlington's Outstanding Debt

	Governmental		Business-type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 5,651,978	\$ 8,994,345	\$ 4,047,000	\$ 5,184,752	\$ 9,698,978	\$ 14,179,097
Installment purchases	2,140,876	2,323,955			2,140,876	2,323,955
Revenue bonds**	-	-	36,219,027	37,821,088	36,219,027	37,821,088
Total	\$ 7,792,854	\$ 11,318,300	\$ 40,266,027	\$ 43,005,840	\$ 48,058,881	\$ 54,324,140

The City of Burlington's total debt decreased by \$9,785,650 (15.0%) during the past fiscal year. The City issued \$1,608,961 in installment financings, bearing an interest rate of 0.92%, to acquire certain vehicles and other equipment for general government uses, to be paid back over a 3 year period. The decrease in debt for the governmental activities represents the normal shrinkage in debt due to payments made throughout the year.

As mentioned in the financial highlights of this document, the City of Burlington has maintained its bond ratings of AA for Standard & Poor's Corporation, and had the rating on the City's Revenue Bonds rise to a Aa2 by Moody's Investor Services. The City recently completed a review by Moody's Investor Services in October 2015.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the City of Burlington is \$363,184,821. The City has no bonds authorized but un-issued at June 30, 2015.

Additional information regarding the City of Burlington's long-term debt can be found in note III.6, beginning on page 44-45 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following key economic indicators may explain the environment in which the City conducts its day to day business.

- Continued improvements in the unemployment rate. From last year's average of 6.3%, the rate has fallen to 5.3% in Alamance County, where the City of Burlington is located. This rate is slightly below the US and state average of 5.7%.
- Interest rates on certificates of deposit, commercial paper, etc. averaged 0.36%, a 16% increase over last fiscal year. The economy is continuing its slow growth pattern.
- Commercial construction permits increased slightly from the prior year, from 123 permits issued in the prior year to 148 issued for the fiscal year ending 6/30/15. However residential construction permits slightly decreased from 390 in the prior year to 357.
- The City's largest taxpayer, Laboratory Corporation of America (LabCorp) continues to grow despite the economy. The company posted net revenue of \$2.2 billion for the quarter ending 6/30/15, up 46% over last year.

- Company Shops, a cooperative grocery/health foods store working with local farmers in the area is continuing to thrive in downtown Burlington. We are certain they will continue to have a positive impact even though Labcorp has moved 900 employees out of the downtown area to other locations in Burlington and Guilford County.
- Several buildings in the downtown area are being redeveloped into office suites and retail business spaces by Core Properties & Development.

BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2015

Governmental activities. General Fund revenues are budgeted for a \$1.23 million increase over the prior year's budget. Property taxes are projected at a net \$247,919 increase (20.1% of total revenue increase). The increase in property taxes stems from growth in property values and discoveries as well as the decrease in the discount for paying taxes early was reduced from 2% to 0.5%. Sales tax has been projected to increase by another \$1,167,958 or (94.8% of total revenue increase). The amount of sales tax budgeted, even though increased, is still 2.0% below actual sales tax received in the prior year. Offsetting these two increases is the loss of privilege license revenue in the amount of \$229,741 due to changes made by the North Carolina State Legislature that removed the ability to charge such fees by local governments. Economists are projecting that the interest rate will remain low, as the date for raising the interest rate keeps getting pushed back, thus interest earnings are projected to be basically the same. There were no new programs instituted in the 2016 budget. The City continues to participate in performance measurement analysis. Specifically looking at indirect costs, performance measures validate that the dollar amount the General Fund is reimbursed from the Water Resources Fund for administrative charges is reasonable.

Budgeted expenditures, like the revenues, have an increase of \$1.23 million when comparing the General Fund expenditures to the prior year. The largest portion of the increase (\$1,102,954) is due to personnel costs and is for three reasons. First, 15 new positions were approved, to staff the new fire station being built to serve the southern and western sections of the City. Second, there was an average 2% merit approved by Council. Third, Council chose to keep the police merit based pay plan for continuity in the police department. Other increases in the budget are as follows: \$107,938 increase in maintenance and repair/contracted services, budget, \$30,790 increase in insurance/bonds, \$251,250 increase in capital equipment purchases, \$74,022 increase in animal services, \$257,761 increase in worker's comp, \$92,640 increase in operations for new fire station, and \$100,000 increase in transportation services. Offsetting these increases is an increase in the reimbursement of administrative costs from the Water Resources Fund, which has the effect of decreasing expenses in the General Fund in the amount of \$100,000. In the prior year some debt was paid off which has the effect of reducing debt payments (and expenses) by \$690,185. Also, there is a \$77,478 decrease in police's staffing due to transferring the crossing guards salaries from the City of Burlington to the local school system,.

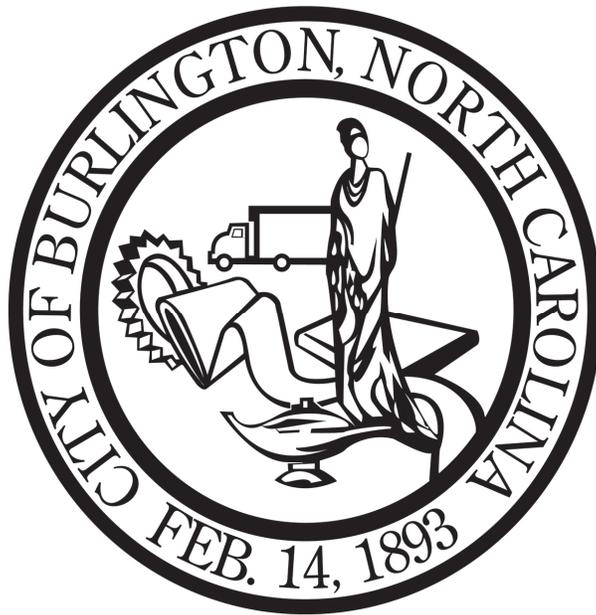
Business-type activities. Total revenue is projected to increase by 2.9% over the previous fiscal year. The majority of the increase is due to a 3% increase in both water and sewer rates for Fiscal year ending June 30, 2016 over the prior fiscal year ending June 30, 2015. Both water and sewer rates are double the inside rate for customers outside the corporate limits of the City. In addition, the "municipal service rate" remains the same such that the rate is now 110% of the inside sewer rate, thereby assuring that inside City customers would be paying the lesser rate for their sewer service.

Operating expenses are also budgeted to increase by 2.9% over the previous fiscal year. One increase is due to an expansion in capital expenditures by \$85,400. In the next year's budget, there are the costs to replace the second third of the Haw River Interceptor (Phase 2) which incurred a leak in the spring of 2014. Other increases are personnel costs due to an average 2% merit approved by Council by \$166,422, an increase in the administration costs being reimbursed to the General Fund in the amount of \$100,000, an increase in worker's comp of \$252,670, an increase in transfers to the water capital reserve fund by \$87,553, an increase in transfers to the sewer capital reserve fund by \$87,554, and another increase of \$100,000 for which the City of Burlington pays another municipality to treat sewage for an area closer to their service area.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Burlington's finances for all those with an interest in the City's finances and its accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Burlington Finance & Risk Management Department, P. O. Box 1358, Burlington, North Carolina 27216-1358.





**BASIC
FINANCIAL STATEMENTS**

City of Burlington, North Carolina
Statement of Net Position
June 30, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Burlington Downtown Corporation
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 58,093,290	\$ 54,213,022	\$ 112,306,312	\$ 264,334
Taxes receivables (net)	954,644	-	954,644	17,006
Accrued interest receivable on taxes	381,938	-	381,938	-
Accounts receivable (net)	18,687,862	3,793,874	22,481,736	7
Internal balances	1,046,259	(1,046,259)	-	-
Inventories	-	876,555	876,555	-
Bond premium and fees	-	698,311	698,311	-
Prepaid items	-	3,600	3,600	-
Prepaid pension obligations	584,705	-	584,705	-
Restricted assets:				
Cash and cash equivalents	-	513,410	513,410	-
Total current assets	79,748,698	59,052,513	138,801,211	281,347
Noncurrent assets:				
Net pension asset	2,703,555	235,092	2,938,647	-
Capital assets (Note 1):				
Land, non-depreciable improvements, and construction in progress	9,568,508	13,780,183	23,348,691	-
Other capital assets, net of depreciation	51,947,062	141,025,569	192,972,631	-
Total noncurrent assets	64,219,125	155,040,844	219,259,969	-
Total assets	\$ 143,967,823	\$ 214,093,357	\$ 358,061,180	\$ 281,347
DEFERRED OUTFLOWS OF RESOURCES				
Contribution to pension plan in current fiscal year	\$ 1,822,997	\$ 158,521	\$ 1,981,518	-
Total deferred outflows of resources	\$ 1,822,997	\$ 158,521	\$ 1,981,518	-
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 2,919,194	\$ 771,275	\$ 3,690,469	\$ 32,397
Accrued interest payable	148,720	1,788,582	1,937,302	-
Customer deposit	-	513,410	513,410	-
Payable from restricted assets	-	227,786	227,786	-
Current portion of long-term liabilities	2,767,199	2,983,929	5,751,128	-
Total current liabilities	5,835,113	6,284,982	12,120,095	32,397
Noncurrent liabilities:				
Other postemployment benefits	3,635,087	641,485	4,276,572	-
Due in more than one year	7,560,807	37,701,894	45,262,701	-
Total noncurrent liabilities	11,195,894	38,343,379	49,539,273	-
Total liabilities	17,031,007	44,628,361	61,659,368	32,397
DEFERRED INFLOWS OF RESOURCES				
Pension deferrals	6,679,888	580,859	7,260,747	-
Prepaid taxes	19,530	-	19,530	-
Total deferred inflows of resources	6,699,418	580,859	7,280,277	-
NET POSITION				
Net investment in capital assets	53,722,717	114,539,725	168,262,442	-
Restricted for:				
Capital projects	4,586,098	19,469,499	24,055,597	-
Public works	-	-	-	-
Public safety	517,283	-	517,283	-
Economic development	3,494,544	-	3,494,544	-
Stabilization by State Statute	5,472,018	-	5,472,018	-
Unrestricted	54,267,735	35,033,434	89,301,169	248,950
Total net position	\$ 122,060,395	\$ 169,042,658	\$ 291,103,053	\$ 248,950

The notes to the financial statements are an integral part of this statement.

Exhibit 2

City of Burlington, North Carolina
Statement of Activities
For the Year Ended June 30, 2015

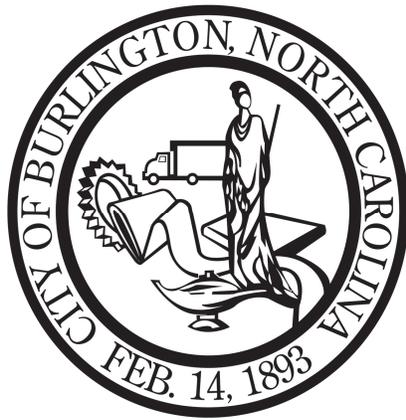
Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	\$ 8,483,588	\$ 2,942,784	\$ 565,559	\$ -
Public safety	25,860,337	354,258	571,011	-
Public works	8,334,201	1,298,660	1,923,507	-
Economic and physical development	1,880,541	1,435,313	4,124,884	-
Cultural and recreation	7,512,715	3,036,516	-	-
Interest on long-term debt	331,290	-	-	-
Total governmental activities (See Note 1)	<u>52,402,672</u>	<u>9,067,531</u>	<u>7,184,961</u>	<u>-</u>
Business-type activities:				
Storm water	518,104	900,066	-	-
Water and sewer	23,671,729	27,026,817	-	363,481
Total business-type activities	<u>24,189,833</u>	<u>27,926,883</u>	<u>-</u>	<u>363,481</u>
Total primary government	<u>\$ 76,592,505</u>	<u>\$ 36,994,414</u>	<u>\$ 7,184,961</u>	<u>\$ 363,481</u>
Component unit:				
Burlington Downtown Corporation	\$ 318,902	\$ 128,405	\$ 172,303	
Total component units	<u>\$ 318,902</u>	<u>\$ 128,405</u>	<u>\$ 172,303</u>	<u>\$ -</u>
General revenues:				
Taxes:				
Property taxes, levied for general purpose				
Local options sales tax				
Other taxes and licenses				
Grants and contributions not restricted to specific programs				
Unrestricted investment earnings				
Miscellaneous				
Transfers				
Total general revenues, special items, and transfers				
Change in net position				
Net position-beginning, previously reported				
Restatement				
Net position, beginning restated				
Net position-ending				

The notes to the financial statements are an integral part of this statements.

Exhibit 2

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (4,975,245)		\$ (4,975,245)	\$ -
(24,935,068)		(24,935,068)	-
(5,112,034)		(5,112,034)	-
3,679,656		3,679,656	-
(4,476,199)		(4,476,199)	-
(331,290)		(331,290)	-
(36,150,180)	-	(36,150,180)	-
-	381,962	381,962	-
-	3,718,569	3,718,569	-
-	4,100,531	4,100,531	-
\$ (36,150,180)	\$ 4,100,531	\$ (32,049,649)	\$ -
			(18,194)
\$ -	\$ -	\$ -	(18,194)
26,338,400	-	26,338,400	-
11,072,001		11,072,001	-
494,860		494,860	-
4,413,873	-	4,413,873	-
169,604	452,279	621,883	57
247,342	-	247,342	5
-	-	-	-
42,736,080	452,279	43,188,359	62
6,585,900	4,552,810	11,138,710	(18,132)
119,304,051	164,822,852	284,126,903	267,082
(3,829,556)	(333,004)	(4,162,560)	-
115,474,495	164,489,848	279,964,343	267,082
\$ 122,060,395	\$ 169,042,658	\$ 291,103,053	\$ 248,950

The notes to the financial statements are an integral part of this statement.



City of Burlington
Balance Sheet
Governmental Funds
June 30, 2015

Exhibit 3

4

	MAJOR FUND		Total Non-Major Funds	Total Governmental Funds
	General	HOME Program Project Fund		
ASSETS				
Cash and cash equivalents	\$ 34,413,431	\$ 20,956	\$ 6,140,418	\$ 40,574,805
Restricted cash	11,256,968	-	-	11,256,968
Receivables, net:				
Taxes	891,720	-	62,924	954,644
Accounts	5,626,996	-	252,616	5,879,612
Housing rehabilitation loans	-	-	2,253,537	2,253,537
Home incentive loans	-	9,833,273	85,600	9,918,873
Total assets	\$ 52,189,115	\$ 9,854,229	\$ 8,795,095	\$ 70,838,439
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,013,096	\$ -	\$ 134,246	\$ 2,147,342
Unearned revenue	1,043,772	6,215,812	62,924	7,322,508
Total liabilities	3,056,868	6,215,812	197,170	9,469,850
Deferred Inflows of Resources				
Prepaid taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Restricted:				
Stabilization by State Statute	5,472,018	-	-	5,472,018
Historic Books	1,418	-	-	1,418
Animal Shelter	562	-	-	562
Economic Development	-	3,442,235	3,319,789	6,762,024
Public Safety	-	-	460,696	460,696
Committed:				
Capital Improvements	-	-	-	-
Capital Reserve Fund	11,279,424	-	4,586,098	15,865,522
Assigned				
Subsequent Years Expenditures	1,636,986	196,182	251,624	2,084,792
General Government	4,316,000	-	-	4,316,000
Parks and Recreation	1,882,466	-	-	1,882,466
Public Safety	5,950,000	-	-	5,950,000
Economic Development	3,000,000	-	-	3,000,000
Public Works	3,125,000	-	-	3,125,000
Unassigned	12,468,373	-	(20,282)	12,448,091
Total fund balances	49,132,247	3,638,417	8,597,925	61,368,589
Total liabilities and fund balances	\$ 52,189,115	\$ 9,854,229	\$ 8,795,095	

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Gross capital assets at historical costs - \$ 112,461,669 accumulated depreciation - (\$50,946,099.)	61,515,570
Net pension asset	2,703,555
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	1,822,997
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are inflows of resources in the funds.	454,315
The pension assets resulting from contributions in excess of annual required contributions are not financial resources and therefore are not reported in the funds	584,705
Other long-term debt (post employment benefits) are not due and therefore are not reported in the funds.	(3,635,087)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	1,046,259
Liabilities for earned revenues considered deferred inflows of resources in fund statements	7,876,234
Pension related deferrals	(6,679,887)
Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net assets.	5,479,871
Some liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds. General obligation bonds-\$5,651,997 installment purchases-\$2,140,878 compensated absences-\$2,535,087, accrued interest-\$148,720 and bond issuance cost \$(0).	(10,476,726)
Net position of governmental activities	\$ 122,060,395

City of Burlington
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2015

	Major Fund		Total Non-Major Funds	Total Governmental Funds
	General Fund	HOME Program Project Fund		
REVENUES				
Ad valorem taxes	\$ 26,800,159	\$ -	\$ 128,326	\$ 26,928,485
Other taxes and licenses	12,099,079	-	-	12,099,079
Unrestricted intergovernmental	4,795,377	-	118,816	4,914,193
Restricted intergovernmental	3,720,224	-	1,163,752	4,883,976
Permits and fees	1,243,300	-	-	1,243,300
Sales and services	4,018,839	-	47,944	4,066,783
Investment earnings	158,524	-	568	159,092
Miscellaneous	336,000	765,076	25,554	1,126,630
Total revenues	53,171,502	765,076	1,484,960	55,421,538
EXPENDITURES				
Current:				
General government	9,106,232	-	-	9,106,232
Public safety	21,482,967	-	542,519	22,025,486
Public works	6,744,540	-	-	6,744,540
Economic and physical development	-	869,082	917,901	1,786,983
Culture and recreation	6,276,995	-	153,057	6,430,052
Debt service:				
Principal	5,100,769	-	-	5,100,769
Interest and other charges	294,774	-	-	294,774
Capital outlay	3,919,060	-	701,859	4,620,919
Total expenditures	52,925,337	869,082	2,315,336	56,109,755
Excess (deficiency) of revenues over expenditures	246,165	(104,006)	(830,376)	(688,217)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	5,390,922	20,275	4,083,015	9,494,212
Transfers to other funds	(9,786,792)	-	(20,275)	(9,807,067)
Issuance of installment purchase	1,608,961	-	-	1,608,961
Total other financing sources (uses)	(2,786,909)	20,275	4,062,740	1,296,106
Net change in fund balance	(2,540,744)	(83,731)	3,232,364	607,889
Fund balances-beginning	51,672,991	3,722,148	5,365,561	60,760,700
Fund balances-ending	\$ 49,132,247	\$ 3,638,417	\$ 8,597,925	\$ 61,368,589

The notes to the financial statements are an integral part of this statement.

(continued)

Exhibit 4
(continued)

City of Burlington
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2015

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

Net changes in fund balances - total governmental funds		\$		607,889
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay- \$3,919,060 exceeded depreciation-(\$3,456,894). Loss on disposal of fixed assets-(\$27,846).</p>				
				434,320
<p>Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities</p>				
				1,822,997
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>				
<p>Change in deferred revenue for economic development loans receivable</p>				
				4,124,884
<p>Change in accrued interest receivable</p>				
				53,778
<p>Change in pension asset</p>				
				(67,482)
<p>Change in deferred revenue for tax revenues</p>				
				(590,085)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (issuance of debt-(\$1,608,961), principal expenditures- \$5,097,278 change in accrued interest payable- (\$33,458) and net change amortization \$37,118.</p>				
				3,491,977
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>				
<p>Pension expense</p>				
				(146,776)
<p>Compensated absences</p>				
				(161,612)
<p>Other post employment benefits</p>				
				(540,438)
<p>Net revenue of internal service funds determined to be governmental-type.</p>				
				<u>(2,443,552)</u>
<p>Total changes in net position of governmental activities</p>				
				<u>\$ 6,585,900</u>

The notes to the financial statements are an integral part of this statement.

**City of Burlington
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2015**

	General Fund			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Ad valorem taxes	\$ 25,729,220	\$ 25,629,220	\$ 26,800,159	\$ 1,170,939
Other taxes and licenses	15,058,783	10,863,783	12,099,079	1,235,296
Unrestricted intergovernmental	-	4,266,130	4,795,377	529,247
Restricted intergovernmental	79,000	3,075,337	3,741,946	666,609
Permits and fees	493,000	966,400	1,243,300	276,900
Sales and services	4,387,332	4,207,458	4,018,839	(188,619)
Investment earnings	105,000	177,251	107,844	(69,407)
Miscellaneous	2,142,781	171,000	336,000	165,000
	<u>47,995,116</u>	<u>49,356,579</u>	<u>53,142,544</u>	<u>3,785,965</u>
Expenditures:				
Current:				
General government	11,022,778	10,224,860	9,161,969	1,062,891
Public safety	21,150,908	24,143,581	22,381,740	1,761,841
Public works	8,155,887	9,839,723	8,956,709	883,014
Cultural and recreation	6,043,720	7,058,648	7,051,085	7,563
Principal retirement	2,964,030	5,104,030	5,100,769	3,261
Interest and other charges	294,779	294,779	294,774	5
	<u>49,632,102</u>	<u>56,665,621</u>	<u>52,947,046</u>	<u>3,718,575</u>
Total expenditures	<u>49,632,102</u>	<u>56,665,621</u>	<u>52,947,046</u>	<u>3,718,575</u>
Revenues over (under) expenditures	<u>(1,636,986)</u>	<u>(7,309,042)</u>	<u>195,498</u>	<u>7,504,540</u>
Other financing sources (uses):				
Transfers from other funds	-	3,540,400	3,540,400	-
Transfers to other funds	-	(2,039,626)	(2,239,626)	(200,000)
Installment Financing	-	1,608,961	1,608,961	-
	<u>-</u>	<u>3,109,735</u>	<u>2,909,735</u>	<u>(200,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>3,109,735</u>	<u>2,909,735</u>	<u>(200,000)</u>
Revenues and other financing sources over (under) Expenditures and other financing uses	<u>(1,636,986)</u>	<u>(4,199,307)</u>	<u>3,105,233</u>	<u>\$ 7,304,540</u>
Fund balances appropriated	<u>1,636,986</u>	<u>4,199,307</u>		
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>34,747,590</u>	
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,852,823</u>	
A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Interest Income			\$ 50,680	
Transfer from General Fund			1,850,522	
Transfer to other Funds			(7,547,166)	
Fund balance beginning			<u>16,925,388</u>	
Fund Balance Ending (Exhibit 4)			<u>\$ 49,132,247</u>	

The notes to the financial statements are an integral part of this statement.

City of Burlington
Statement of Net Position
Proprietary Funds
June 30, 2015

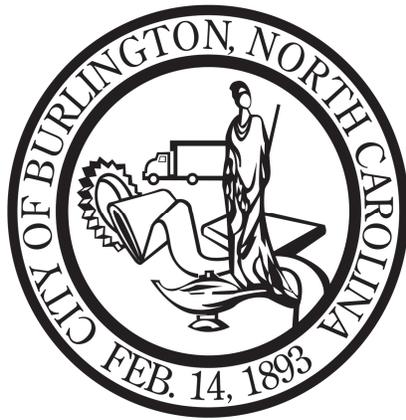
	Enterprise Funds			Governmental Activities-
	Water and Sewer Fund	Non-Major Storm Water Fund	Total	Internal Service Funds
ASSETS				
Cash and cash equivalents	\$ 52,698,058	\$ 1,514,964	\$ 54,213,022	\$ 6,261,517
Accounts receivable (net) - billed	2,048,283	57,144	2,105,427	9,584
Accounts receivable (net) - unbilled	1,636,345	52,102	1,688,447	-
Due from other funds	-	-	-	154
Prepaid assets	3,600	-	3,600	-
Inventories	876,555	-	876,555	-
Bond issuance costs	698,311	-	698,311	-
Restricted assets:				
Cash and cash equivalents	513,410	-	513,410	-
Total current assets	58,474,562	1,624,210	60,098,772	6,271,255
Noncurrent assets:				
Net pension asset	226,176	8,916	235,092	-
Capital assets:				
Land and other non-depreciable assets	13,780,183	-	13,780,183	-
Other capital assets, net of depreciation	140,657,311	368,258	141,025,569	-
Capital assets (net)	154,437,494	368,258	154,805,752	-
Total noncurrent assets	154,663,670	377,174	155,040,844	-
Total assets	\$ 213,138,232	\$ 2,001,384	\$ 215,139,616	\$ 6,271,255
DEFERRED OUTFLOWS OF RESOURCES				
Contributions to pension plan	\$ 152,509	\$ 6,012	\$ 158,521	\$ -
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 2,545,866	\$ 13,991	\$ 2,559,857	\$ 794,384
Due to other funds	-	-	-	-
Compensated absences - current	144,836	2,093	146,929	-
Other postemployment benefits	-	-	-	-
General obligation bonds payable-current	1,262,000	-	1,262,000	-
Revenue bonds payable	1,575,000	-	1,575,000	-
Liabilities payable from restricted assets:				
Accounts payable	227,786	-	227,786	-
Customer deposits	513,410	-	513,410	-
Total current liabilities	6,268,898	16,084	6,284,982	794,384
Noncurrent liabilities:				
Other noncurrent liabilities:				
Other postemployment benefits	641,485	-	641,485	-
Compensated absences	268,981	3,886	272,867	-
General obligation bonds payable-noncurrent (net)	2,785,000	-	2,785,000	-
Revenue bonds payable	34,644,027	-	34,644,027	-
Total noncurrent liabilities	38,339,493	3,886	38,343,379	-
Total liabilities	44,608,391	19,970	44,628,361	794,384
DEFERRED INFLOWS OF RESOURCES				
Pension deferrals	558,830	22,029	580,859	-
NET POSITION				
Net investment in capital assets	114,171,467	368,258	114,539,725	-
Restricted for Capital projects	19,469,499	-	19,469,499	-
Unrestricted	34,482,554	1,597,139	36,079,693	5,479,871
Total net position	\$ 168,123,520	\$ 1,965,397	170,088,917	\$ 5,479,871
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			(1,046,259)	
Net position of business-type activities			\$ 169,042,658	

The notes to the financial statements are an integral part of this statement.

City of Burlington
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	Enterprise Funds			Governmental Activities-
	Water and Sewer Fund	Non-Major Storm Water Fund	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 27,045,806	\$ 822,842	\$ 27,868,648	\$ 5,183,499
Water and sewer taps	246,805	-	246,805	-
Total operating revenues	<u>27,292,611</u>	<u>822,842</u>	<u>28,115,453</u>	<u>5,183,499</u>
OPERATING EXPENSES				
Building and administrative	3,116,136	-	3,116,136	422,130
Customer services	1,567,240	492,949	2,060,189	80,578
Supervision - lines	326,384	-	326,384	-
Line maintenance and repairs	1,080,230	-	1,080,230	-
Line services and construction	762,304	-	762,304	-
Supervision - treatment	564,039	-	564,039	-
Water source of supply	197,956	-	197,956	-
Water plant operations	2,743,446	-	2,743,446	-
Sewage treatment plant operations	3,686,482	-	3,686,482	-
Laboratories	677,101	-	677,101	-
Plants maintenance	665,732	-	665,732	-
Lakes and marinas	373,168	-	373,168	-
Depreciation	5,660,545	25,155	5,685,700	-
Claims paid, excess loss coverage and claims administration	-	-	-	7,975,876
Total operating expenses	<u>21,420,763</u>	<u>518,104</u>	<u>21,938,867</u>	<u>8,478,584</u>
Operating income (loss)	<u>5,871,848</u>	<u>304,738</u>	<u>6,176,586</u>	<u>(3,295,085)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	450,335	1,944	452,279	36,685
Interest and other charges	(1,786,895)	-	(1,786,895)	-
Other revenues	-	-	-	-
Miscellaneous nonoperating expense	-	-	-	-
Total nonoperating revenue (expenses)	<u>(1,336,560)</u>	<u>1,944</u>	<u>(1,334,616)</u>	<u>36,685</u>
Income (loss) before contributions and transfers	4,535,288	306,682	4,841,970	(3,258,400)
Capital contributions	363,481	-	363,481	-
Transfers to other funds	(265,794)	-	(265,794)	-
Transfers from other funds	-	77,224	77,224	501,426
Change in net position	4,632,975	383,906	5,016,881	(2,756,974)
Total net position - previously reported	163,810,920	1,594,120		8,236,845
Restatement	(320,375)	(12,629)		-
Total net position-restated	<u>163,490,545</u>	<u>1,581,491</u>		<u>8,236,845</u>
Total net position - ending	<u>\$ 168,123,520</u>	<u>\$ 1,965,397</u>		<u>\$ 5,479,871</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>(464,071)</u>	
Change in net position - business-type activities			<u>\$ 4,552,810</u>	

The notes to the financial statements are an integral part of this statement.



City of Burlington
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2015

	Enterprise Funds			Internal Service Funds
	Water and Sewer Fund	Non-Major Storm Water Fund	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 26,442,179	\$ 793,797	\$ 27,235,976	\$ 5,179,704
Cash paid for goods and services	(8,964,604)	(244,504)	(9,209,108)	(7,993,259)
Cash paid to or on behalf of employees for services	(6,144,189)	(242,208)	(6,386,397)	(424,706)
Net cash provided by operating activities	11,333,386	307,085	11,640,471	(3,238,261)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
(Increase) decrease in interfund payables	-	-	-	(22)
Transfers from other funds	-	77,224	77,224	501,426
Transfers to other funds	(265,794)	-	(265,794)	-
Total cash flows used by noncapital financing activities	(265,794)	77,224	(188,570)	501,404
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(11,021,510)	(165,140)	(11,186,650)	-
Proceeds of revenue bonds	-	-	-	-
Principal paid on bond maturities	(2,756,739)	-	(2,756,739)	-
Interest and fees paid on debt maturities	(2,011,290)	-	(2,011,290)	-
Other capital revenues	-	-	-	-
Net cash used by capital and related financing activities	(15,789,539)	(165,140)	(15,954,679)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	332,292	1,438	333,730	36,684
Net increase in cash and cash equivalents	(4,389,655)	220,607	(4,169,048)	(2,700,173)
Balances-beginning of the year	57,601,123	1,294,357	58,895,480	8,961,690
Balances-end of the year	<u>\$ 53,211,468</u>	<u>\$ 1,514,964</u>	<u>\$ 54,726,432</u>	<u>\$ 6,261,517</u>
Reconciliation of Cash and Cash Equivalents:				
Cash and Cash Equivalents - Current	\$ 52,698,058	\$ 1,514,964	\$ 54,213,022	\$ 6,261,517
Cash and Cash Equivalents - Restricted	513,410	-	513,410	-
Total Cash and Cash Equivalents - June 30, 2014	<u>\$ 53,211,468</u>	<u>\$ 1,514,964</u>	<u>\$ 54,726,432</u>	<u>\$ 6,261,517</u>

(continued)

The notes to the financial statements are an integral part of this statement.

City of Burlington
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2015

	<u>Water and Sewer Fund</u>	<u>Non-Major Storm Water Fund</u>	<u>Total</u>	<u>Internal Service Fund</u>
Reconciliation of operating income to net cash provided by operating activities				
Operating income (loss)	\$ 5,871,848	\$ 304,738	\$ 6,176,586	\$ (3,295,085)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	5,652,923	25,155	5,678,078	-
Pension expense	12,279	484	12,763	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(581,896)	(29,045)	(610,941)	(3,796)
Increase in inventory	(5,796)	-	(5,796)	-
Decrease in prepaid asset	-	-	-	-
Increase in accounts payable and accrued liabilities	173,828	13,991	187,819	60,620
Increase (decrease) in accrued vacation pay	(1,197)	(2,226)	(3,423)	-
(Increase) decrease in deferred outflows of resources for pensions	(152,509)	(6,012)	(158,521)	-
Increase in accrued OPEB liability	95,370	-	95,370	-
Decrease in customer deposits	268,536	-	268,536	-
Total adjustments	<u>5,461,538</u>	<u>2,347</u>	<u>5,463,885</u>	<u>56,824</u>
Net cash provided by operating activities	<u>\$ 11,333,386</u>	<u>\$ 307,085</u>	<u>\$ 11,640,471</u>	<u>\$ (3,238,261)</u>
Noncash investing, capital, and financing activities:				
Donated water and sewer lines	<u>\$ 363,481</u>	<u>\$ -</u>	<u>\$ 363,481</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

CITY OF BURLINGTON, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For The Fiscal Year Ended June 30, 2015

I. Summary of Significant Accounting Policies:

The accounting policies of the City of Burlington and its discretely presented component unit conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The City of Burlington is a municipal corporation that is governed by an elected mayor and a four-member council. As required by generally accepted accounting principles, these financial statements present the City and its component unit, a legally separate entity for which the City is financially accountable. The discretely presented component unit presented below is reported in a separate column in the City's financial statements in order to emphasize that it is legally separate from the City.

Burlington Downtown Corporation

The Burlington Downtown Corporation exists to promote economic and physical development in the downtown area. The Corporation is financed primarily by proceeds of property taxes levied on the Downtown Special Tax District by the City Council of the City of Burlington. The Corporation has a separate board that governs its operations. The City approves the annual budget of the Burlington Downtown Corporation. The Corporation, which has a June 30 year-end, is presented as if it were a governmental fund. Complete financial statements for this component unit may be obtained from the Burlington Downtown Corporation, P.O. Box 761, Burlington, NC 27216.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government and its component unit. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

I. Summary of Significant Accounting Policies: (continued)

Fund Financial Statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings.

The City reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the City. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for public safety, public works, recreation, and general government services.

Capital Reserve Capital Project Fund. This fund is used to account for funds reserved for future capital projects.

HOME Program Project Fund. This fund is used to account for specific revenue sources that are legally restricted to expenditures for the HOME Program.

The City reports the following non-major governmental funds:

Special Revenue Funds. The Special Revenue funds account for specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The City has twelve Special Revenue Funds: the Community Development Fund, the Rehabilitation Loan Program Fund, the Rental Rehabilitation Loan Program Fund, the Downtown Special Tax District Fund, the RICO Fund, the Edward Byrne Justice Assistance Grant Fund, the Guilford Mackintosh Fund, the Controlled Substance Tax Fund, the MPO Planning Transportation Fund, the Medicare Part D Grant Project Fund ,Public Transportation Fund and the Bureau of Justice Assistance Community Oriented Policing Grant Fund.

Capital Projects. The Capital Project Fund is used to account for financial resources to be used for the acquisition and/or construction of major capital facilities (other than those financed in the enterprise fund) and infrastructure. The city has 4 projects at this time.

The City reports the following major enterprise fund:

Water and Sewer Fund. This fund is used to account for operations and maintenance of the water and sewer system, which includes operation of 2 waste water treatment facilities and 2 water treatment plants. This fund also covers acquisition and/or construction of major utility capital facilities and infrastructure projects, sewer projects and utility capital reserve.

I. Summary of Significant Accounting Policies: (continued)

The City reports the following non-major enterprise fund:

Storm Water Fund. This fund is used to account for the federally mandated program of storm water system management, which is supported by a city-wide storm water fee.

The City reports the following fund type:

Internal Service Fund. The Internal Service Funds account for the general insurance program of the City. The City of Burlington has three Internal Service Funds: the Dental Self-Insurance Fund, the Workers Compensation Self-Insurance Fund, and the Group Health Benefits Self-Insurance Fund.

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the City are maintained during the year using the modified accrual basis of accounting.

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds 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 nonoperating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

I. Summary of Significant Accounting Policies: (continued)

The City considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Sales taxes are considered a shared revenue for the City of Burlington because the tax is levied by Alamance County and then remitted and distributed by the State. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Certain items in the 2015 report have been reclassified to conform to current year classifications. Such reclassifications had no effect on previously reported increase/decrease in net assets.

D. Budgetary Data

The City's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Funds. An annual budget is also adopted for the following Special Revenue and Capital Project Funds: Rehabilitation Loan Program Fund, Rental Rehabilitation Loan Program Fund, Downtown Special Tax District Fund, Rico Fund, Guilford Mackintosh Fund, Controlled Substance Tax Fund, MPO Planning Transportation Fund, Capital Reserve Fund, and Drainage Improvement Fund. All annual appropriations lapse at the fiscal year end. Project ordinances are adopted for all other Special Revenue and Capital Projects Funds. The City's Dental Self Insurance Fund, Workers Compensation Self Insurance Fund and Group Health Benefits Self Insurance Fund, intragovernmental service funds, operate under financial plans that were adopted by the governing board at the time the City's budget ordinance was approved, as is required by the General Statutes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$2,500. All amendments must be approved by the Council. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

I. Summary of Significant Accounting Policies: (continued)

E. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

All deposits of the City and the Burlington Downtown Corporation are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The City and the Burlington Downtown Corporation may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the City and the Burlington Downtown Corporation may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the City and the Burlington Downtown Corporation to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The City's and the Burlington Downtown Corporation's investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT – Cash Portfolio, a SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT – Term Portfolio's securities are valued at fair value.

In accordance with State law, the City has invested in securities which are callable and which provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value as determined by quoted market prices.

2. Cash and Cash Equivalents

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The Burlington Downtown Corporation considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

3. Restricted Assets

The Unexpended bond proceeds of Water and Sewer Fund serial bonds issued by the City are classified as restricted assets for the enterprise fund because their use is completely restricted to the purpose for which the bonds were originally issued. Customer deposits held by the City before any services are supplied are restricted to the service for which the deposit was collected.

City of Burlington Restricted Cash

Business-type Activities

Water and Sewer Fund

Customer deposits	\$ <u>513,410</u>
Total Business-type Activities	\$ <u>513,410</u>
Total Restricted Cash	\$ <u><u>513,410</u></u>

I. Summary of Significant Accounting Policies: (continued)

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the City levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2010. As allowed by State law, the City has established a schedule of discounts that apply to taxes paid prior to the due date. In the City's General Fund and Downtown Special Tax District Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

6. Inventory and Prepaid Items

The inventories of the City are valued at cost (first-in, first-out), which approximates market. The City's General Fund inventory consists of expendable supplies that are recorded as expenditures when used rather than when purchased.

The inventories of the City's enterprise funds consist of materials and supplies held for subsequent use. The cost of these inventories is expensed when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government wide and fund financial statements and expensed as the items are used.

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: land, \$10,000; buildings, improvements, substations, lines and other plant and distribution systems, \$15,000; infrastructure, \$20,000; furniture and equipment, \$5,000; vehicles and motorized equipment, \$10,000; and computer equipment, \$500. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	50
Buildings	40
Improvements	40
Vehicles	7
Furniture and equipment	10
Computer equipment	5

I. Summary of Significant Accounting Policies: (continued)

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be reported as an expense or expenditures until then. The City has one item that meets this criterion, contributions made to the pension plan in the 2015 fiscal year. The City has in addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources* represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has several items that meet the criterion for this category – prepaid taxes ,property taxes receivable, and deferrals of pension expense that result from the implementation of GASB Statement 68.

9. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs are expensed in the reporting period in which they are incurred. Prepaid insurance cost are expensed over the life of the debt.

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

10. Compensated Absences

The vacation policies of the City and the Burlington Downtown Corporation provide for the accumulation of up to forty-eight (48) days earned but unused annual leave, which would be paid to employees upon separation from the City. For the City's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary related payments are recorded as the leave is earned. The City has assumed a first in, first out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

Both the City and the Burlington Downtown Corporation's sick leave policies provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the City nor the Burlington Downtown Corporation has any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

I. Summary of Significant Accounting Policies: (continued)

11. Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net positions represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance – This classification 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.

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State statute – portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

Restricted for Economic Development - portion of fund balance that is restricted by revenue source for use for economic development purposes.

Restricted for Public Safety - portion of fund balance that is restricted by revenue source for use for public safety purposes.

Restricted for Historic Books - portion of fund balance that is restricted by donor's for from the sale of a historical book on the architecture of Burlington and is restricted toward the restoration of the City.

Restricted for Animal Shelter - portion of fund balance that is restricted by donor's for the animal shelter.

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of City of Burlington's City Council (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise this limitation.

Committed for Capital Improvements – portion of fund balance designated by the City of Burlington's City Council for capital improvement projects.

Committed for Capital Reserve Fund - portion of fund balance designated by the City of Burlington's City Council for capital improvement projects.

Assigned fund balance – portion of fund balance that City of Burlington intends to use for specific purposes.

I. Summary of Significant Accounting Policies: (continued)

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already in restricted or committed. The governing body approves the appropriation; however the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds.

Public Works- portion of fund balance that has been budgeted by the board for equipment in public works.

Recreation and Parks-portion of the fund balance that has been budgeted by the board for the carousel, community centers, swim complex, and camp green leaves projects in the recreation department.

Public Safety- portion of the fund balance that has been budgeted by the board for the animal shelter.

Unassigned fund balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The City of Burlington has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy; bond proceeds, federal funds, State funds, local non-city funds, city funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the City.

The City of Burlington has also adopted a minimum fund balance policy for the general fund which instructs management to conduct the business of the City in such a manner that available fund balance is at least equal to or greater than 4 months of expenditures which equals 33% of budgeted expenditures. Any portion of the general fund in excess of 33% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the City in a future budget.

12. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The City of Burlington's employer contributions are recognized when due and the City of Burlington has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

For purposes of measuring the net pension expense, information about the fiduciary net position of the Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF) and additions to/deductions from FRSWPF's fiduciary net position have been determined on the same basis as they are reported by FRSWPF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

II. Stewardship, Compliance, and Accountability

A. Deficit in Fund Balance or Net Assets of Individual Funds

For the year ended June 30, 2015, the Bureau of Justice Assistance Community Oriented Policing Grant Fund had a deficit of \$17,797 in fund balance. The grant is a multi-year grant and the City's expenditures for the project exceeded the grant money received for the year. The City will closely monitor this fund to assure that money is drawn from the grant to cover all expenditures.

For the year ended June 30, 2015 the Public Transportation Fund had a deficit of \$2,485 in fund balance. The grants for the City's expenditures for the project exceeded the grant money received for the year. The City will closely monitor this fund to assure that money is drawn from the grant to cover all expenditures.

III. Detail Notes on All Funds:

A. Assets

1. Deposits

All the deposits of the City and the Burlington Downtown Corporation are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the City's and Burlington Downtown Corporation's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City and the Burlington Downtown Corporation, these deposits are considered to be held by the City's and the Burlington Downtown Corporation's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City, the Burlington Downtown Corporation, or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the City and the Burlington Downtown Corporation under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The City has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The City complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The Burlington Downtown Corporation's deposits are all insured.

At June 30, 2015, the City's deposits had a carrying amount of \$8,559,250 and a bank balance of \$6,771,373. Of the bank balance, \$750,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. The carrying amount of deposits for the Burlington Downtown Corporation was \$264,334 and the bank balance was \$264,334. All of the bank balance was covered by federal depository insurance. At June 30, 2015, the City's petty cash fund totaled \$5,310.

III. Detail Notes on All Funds: (continued)

2. Investments

At June 30, 2015, the City's investments were as follows:

Investment Type	Fair Value	Maturity	Rating
Federal Farm Credit Bank	12,477,680	various	AA+
Federal National Mortgage Assn	13,193,071	various	AA+
Federal Home Loan Bank	21,529,671	various	AA+
US Treasuries	13,554,471	various	AAA
Freddie Mac	12,307,189	various	AA+
Commercial Paper - GECC	1,399,916	various	A-1
Commercial Paper - PNC	999,798	various	A-1
Commercial Paper - ING	3,997,546	various	A-1
Commercial Paper - CACDC	1,195,718	various	A-1
Federal National Mort. Assoc	1,297,364	various	AAA
NC Capital Management Trust – Cash Portfolio	11,424,722	N/A	AAAm
NC Capital Management Trust – Term Portfolio	10,878,016	0.11 years	Unrated
Total:	\$ 104,255,162		

Interest Rate Risk. The City has no formal investment policy regarding interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's internal investment policy limits at least half of the City's investment portfolio to maturities of less than 12 months. Also, the City's internal management policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than two years.

Credit Risk. The City has no formal policy regarding credit risk, but has internal management procedures that limits the City's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The investment in the NC Capital Management Trust Cash Portfolio is rated AAAm by Standard and Poor's as of June 30, 2015. The City's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. Investments in commercial paper purchased by the City are rated either A1/P1 by Standard and Poor's or Moody's Investors Service.

Custodial Credit Risk. For an investment, the custodial 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. The City has no formal policy on custodial credit risk, but management procedures are that the City shall utilize a third party custodial agent for book entry transactions, all of which shall be held in the City's name.

Concentration of Credit Risk The City's Board places no limit on the amount that the City may invest in any one issuer. Less than 1% percent of the City's investments are in Commercial Paper.

III. Detail Notes on All Funds: (continued)

3. Receivables – Allowances for Doubtful Accounts

The amount of taxes receivable presented in the Balance Sheet and the Statement of Net Assets includes penalties and interest levied and outstanding in the amount of \$129,584.

The amounts presented in Balance Sheet and the Statement of Net Assets are net of the following allowances for doubtful accounts:

<u>Fund</u>	<u>6/30/15</u>
General Fund:	
Taxes receivable	\$ 534,404
Solid Waste receivables	119,737
Special Revenue Funds:	
Rehabilitation Loan Program Fund:	
Rehabilitation Loans	88,104
Home Incentive Loans	4,771
Rental Rehabilitation Loan Program Fund:	
Rehabilitation Loans	25,700
Downtown Special Tax District Fund:	
Taxes Receivable	45,918
Home Program Fund:	
Home Incentive Loans	324,076
Enterprise Fund:	
Water and Sewer Fund:	
Utility Receivables	<u>67,194</u>
Total	<u>\$ 1,209,904</u>

III. Detail Notes on All Funds: (continued)4. Capital Assets

Capital asset activity for the Primary Government for the year ended June 30, 2015, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	8,628,374	\$ -	\$ -	\$ 8,628,374
Construction in progress	<u>687,482</u>	<u>2,454,551</u>	<u>2,201,899</u>	<u>940,134</u>
Total capital assets not being depreciated	<u>9,315,856</u>	<u>2,454,551</u>	<u>2,201,899</u>	<u>9,568,508</u>
Capital assets being depreciated:				
Buildings	42,985,857	671,652	60,354	43,597,155
Streets and sidewalks	32,745,595	1,730,209	-	34,475,804
Equipment	9,132,929	272,344	172,914	9,232,359
Vehicles	<u>15,285,435</u>	<u>992,205</u>	<u>689,806</u>	<u>15,587,834</u>
Total capital assets being depreciated	<u>100,149,816</u>	<u>3,666,410</u>	<u>923,074</u>	<u>102,893,152</u>
Less accumulated depreciation for:				
Buildings	18,142,106	1,050,874	37,740	19,155,240
Streets and sidewalks	14,751,018	805,766	-	15,556,784
Equipment	5,647,844	710,801	173,391	6,185,254
Vehicles	<u>9,843,464</u>	<u>889,453</u>	<u>684,098</u>	<u>10,048,819</u>
Total accumulated depreciation	<u>48,384,432</u>	<u>3,456,894</u>	<u>895,229</u>	<u>50,946,097</u>
Total capital assets being depreciated, net	<u>51,765,384</u>			<u>51,947,055</u>
Governmental activity capital assets, net	<u>61,081,240</u>			<u>61,515,563</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

General government	\$ 384,747
Public safety	1,072,947
Public works	1,245,324
Cultural and recreational	<u>753,876</u>
Total depreciation expense	<u>\$ 3,456,894</u>

III. Detail Notes on All Funds: (continued)

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
<i>Storm Water Fund</i>				
Capital assets being depreciated:				
Building	\$ 68,182	\$ 105,212	\$ -	\$ 173,394
Infrastructure	27,677	51,690	-	79,367
General equipment	194,560	8,744	-	203,304
Vehicle	44,409	-	-	44,409
Total capital assets being depreciated	<u>334,828</u>	<u>165,646</u>	<u>-</u>	<u>500,474</u>
Less accumulated depreciation for:				
General equipment	83,157	12,329	-	95,486
Building	8,227	5,227	-	13,454
Vehicle	15,677	7,599	-	23,276
Total accumulated depreciation	<u>107,061</u>	<u>\$ 25,155</u>	<u>\$ -</u>	<u>132,216</u>
Total capital assets being depreciated, net	<u>227,767</u>			<u>368,258</u>
Storm water fund capital assets, net	<u>227,767</u>			<u>368,258</u>
<i>Water and Sewer Fund</i>				
Capital assets not being depreciated:				
Land	6,945,444	-	-	6,945,444
Construction in progress	16,212,943	8,347,225	17,725,429	6,834,739
Total capital assets not being depreciated	<u>23,158,387</u>	<u>8,347,225</u>	<u>17,725,429</u>	<u>13,780,183</u>
Capital assets being depreciated:				
Water and sewer lines	110,117,582	19,405,702	-	129,523,284
Buildings, plant, and pumping equipment	119,256,809	930,163	55,365	120,131,607
General equipment	3,418,108	295,162	186,429	3,526,841
Vehicles	3,131,424	231,920	94,582	3,268,762
Total capital assets being depreciated	<u>235,923,923</u>	<u>20,862,947</u>	<u>336,376</u>	<u>256,450,494</u>
Less accumulated depreciation for:				
Water and sewer lines	40,030,087	2,685,077	4,359	42,710,805
Buildings, plant, and pumping equipment	66,240,592	2,585,509	23,717	68,802,384
General equipment	2,123,202	191,578	186,429	2,128,351
Vehicles	2,055,465	190,759	94,581	2,151,643
Total accumulated depreciation	<u>110,449,346</u>	<u>\$ 5,652,923</u>	<u>\$ 309,086</u>	<u>115,793,183</u>
Total capital assets being depreciated, net	<u>125,474,577</u>			<u>140,657,311</u>
Water and Sewer fund capital assets, net	<u>148,632,964</u>			<u>154,437,494</u>
Business-type activity capital assets, net	<u>\$ 148,860,731</u>			<u>\$ 154,805,752</u>

III. Detail Notes on All Funds: (continued)

5. Construction Commitments

The government has active construction projects as of June 30, 2015. At year-end, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Ossipee Waterline	\$ 50,400	\$ 2,129,040
NC 87 Waterline	16,529	214,210
Haw River Interceptor Phase 1	5,170,340	6,474,076
Haw River Interceptor Phase 2	179,878	155,121
Ellwood Street Water Main	<u>481,595</u>	<u>566,318</u>
 Total	 <u>\$ 5,898,742</u>	 <u>\$ 9,538,765</u>

B. Liabilities

1. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The City of Burlington is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and the State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

III. Detail Notes on All Funds: (continued)

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. City of Burlington employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City of Burlington's contractually required contribution rate for the year ended June 30, 2015, was 7.41% of compensation for law enforcement officers and 7.07% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City of Burlington were \$1,981,519 for the year ended June 30, 2015.

Refunds of Contributions – City employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the City reported an asset of \$2,938,647 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension asset was based on a projection of the City's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2014, the City's proportion was 0.029%, which was a decrease of 0.001% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the City recognized pension expense of \$1,981,518. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

III. Detail Notes on All Funds: (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ 321,098
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	6,841,103
Changes in proportion and differences between contributions and proportionate share of contributions		98,546
City contributions subsequent to the measurement date	1,981,518	
Total	<u>\$ 1,981,518</u>	<u>\$ 7,260,747</u>

\$1,981,518 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	\$ (1,815,450)
2017	(1,815,450)
2018	(1,815,450)
2019	(1,814,398)
2020	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 8.55, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

III. Detail Notes on All Funds: (continued)

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	36.0%	2.5%
Global Equity	40.5%	6.1%
Real Estate	8.0%	5.7%
Alternatives	6.5%	10.5%
Credit	4.5%	6.8%
Inflation Protection	4.5%	3.7%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8% and Inflation Protection 3.4%.

Discount rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

III. Detail Notes on All Funds: (continued)

Sensitivity of the City's proportionate share of the net pension asset to changes in the discount rate. The following presents the City's proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the City's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
City's proportionate share of the net pension liability (asset)	\$ 9,975,037	\$ (2,938,645)	\$(13,811,551)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

b. Law Enforcement Officers Special Separation Allowance

1. *Plan Description.*

The City of Burlington administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time law enforcement officers of the City are covered by the Separation Allowance. At December 31, 2014, the Separation Allowance's membership consisted of:

Retirees receiving benefits	24
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>132</u>
Total	156

A separate report was not issued for the plan.

2. *Summary of Significant Accounting Policies.*

Basis of Accounting. The City has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

III. Detail Notes on All Funds: (continued)

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statements 67 and 68:

- contributions to the pension plan and earnings on those contributions are irrevocable
- pension plan assets are dedicated to providing benefits to plan members
- pension plan assets are legally protected from the creditors or employers, nonemployer contributing entities, the plan administrator, and plan members.

Method Used to Value Investments. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

3. *Contributions.*

The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the current year was determined as part of the December 31, 2014 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions include (a) 5% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.25 – 7.85% per year. Both (a) and (b) included an inflation component at 3%. The assumptions did not include post-employment benefit increases.

Annual Pension Cost and Net Pension Obligation. The City's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	\$ 508,142
Interest on net pension obligation	(32,609)
Adjustment to annual required contribution	<u>55,094</u>
Annual pension cost	530,627
Contributions made	<u>463,145</u>
(Decrease) in net pension obligation	67,482
Net pension obligation beginning of year	<u>(652,187)</u>
Net pension obligation end of year	<u><u>\$ (584,705)</u></u>

III. Detail Notes on All Funds: (continued)

3-Year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/13	398,066	105.63%	(616,028)
6/30/14	433,876	108.33%	(652,187)
6/30/15	530,627	87.28%	(584,705)

4. *Funded Status and Funding Progress.*

As of December 31, 2014, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was \$4,296,893. The covered payroll (annual payroll of active employees covered by the plan) was \$7,406,005, and the ratio of the UAAL to the covered payroll was 58.02%.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The City contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410 or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2015 were 584,599, which consisted of 372,897 from the City and \$211,702 from the law enforcement officers. The City has elected to contribute to the Supplemental Retirement Income Plan for general employees as well as for law enforcement officers. Contributions for the year ended June 30, 2015 for general employees were \$1,543,902, which consisted of \$984,792 from the City and \$559,110 from the general employees.

III. Detail Notes on All Funds: (continued)

d. Firefighter's and Rescue Squad Workers' Pension Fund

Plan Description. The State of North Carolina contributes, on behalf of the City of Burlington, to the Firefighter's and Rescue Squad Workers' Pension Fund (Fund), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. The Fund provides pension benefits for eligible fire and rescue squad workers that have elected to become members of the fund. Article 86 of G.S. Chapter 58 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Firefighter's and Rescue Squad Workers' Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Firefighter's and Rescue Squad Workers' Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Benefits Provided. FRSWPF provides retirement and survivor benefits. The present retirement benefit is \$170 per month. Plan members are eligible to receive the monthly benefit at age 55 with 20 years of creditable service as a firefighter or rescue squad worker, and have terminated duties as a firefighter or rescue squad worker. Eligible beneficiaries of members who die before beginning to receive the benefits will receive the amount paid by the member and contributions paid on the member's behalf into the plan. Eligible beneficiaries of members who die after beginning to receive benefits will be paid the amount the member contributed minus the benefits collected.

Contributions. Plan members are required to contribute \$10 per month to the Fund. The State, a nonemployer contributor, funds the plan through appropriations. Contributions provisions are established by Gereneal Statute 58-86 nad may be amended only by the North Carolina General Assembly. For the fiscal year ending June 30, 2014, the state contributed \$14,627,000 to the plan. The City of Burlington's proportionate share of the State's contribution is \$21,722.

Refunds of Contributions – Plan members who are no longer eligible or choose not to participate in the plan may file an application for a refund of their contributions. Refunds include the member's contributions and contributions paid by others on the member's behalf. No interest will be paid on the amount of the refund. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by FRSWPF.

III. Detail Notes on All Funds: (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the City reported no liability for its proportionate share of the net pension liability, as the State provides 100% pension support to the City through its appropriations to the FRSWPF. The total portion of the net pension liability that was associated with the City and supported by the State was \$57,761. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. As the City is not projected to make any future contributions to the plan, its proportionate share at June 30, 2014 and at June 30, 2013 was 0%.

For the year ended June 30, 2015, the City recognized pension expense of \$21,716 and revenue of \$21,716 for support provided by the State. At June 30, 2015, the City reported no deferred outflows of resources and no deferred inflows of resources related to pensions.

Actuarial Assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	Not applicable
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

For more information regarding actuarial assumptions, including mortality tables, the actuarial experience study, the consideration of future ad hoc COLA amounts, the development of the projected long-term investment returns, and the asset allocation policy, refer to the discussion of actuarial assumptions for the LGERS plan in Section a. of this note.

Discount rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

III. Detail Notes on All Funds: (continued)

e. Other Post-employment Benefits

1. Healthcare Benefits

In addition to the pension benefits described in Note 1, the City provides post-employment health care benefits to retirees who were hired prior to July 1, 2011 and City Council members of the City, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least five years of creditable service with the City. The City pays the full cost of coverage for employees who retire with 25 or more years of creditable service; 75% of the cost of coverage for retirees with 20 – 24 years of creditable service; 50% of the cost of coverage for retirees with 15-19 years of creditable service; and 25% of the cost of coverage for retirees with 10-14 years of creditable service. The City pays the full cost of coverage for City Council members with 16 or more years of service; 75% of the cost for City Council members with 12-15 years of service; 50% of the cost of coverage for City Council members with 8-11 years of service; and 25% of the cost of coverage for City Council members with 4-7 years of service. The City's contribution will cease when the retiree reaches age 65. At this point in time, some City retirees are eligible for Medicare supplement reimbursement. The retiree must have been covered under the City's health plan immediately before reaching age 65. The Medicare supplement reimbursement is also based on years of service. The City pays up to \$159 per month of the Medicare supplement for employees who retire with 25 or more years of creditable service; up to 75% of this amount of Medicare supplement for employees who retire with 20-24 years of creditable service, up to 50% of this amount of the Medicare supplement for employees who retire with 15-19 years of creditable service; and up to 25% of this amount of the Medicare supplement for employees who retire with 10-14 years of creditable service. Also, the City's retirees can purchase coverage for their dependents at the City's group rates. Currently, 109 retirees are eligible for post-employment health benefits. For the fiscal year ended June 30, 2015, the city made payments for post-employment health benefit premiums of \$ 1,174,837 The City obtains healthcare coverage through private insurers.

The City also provides dental coverage to retirees of the City. The City will pay 100% of the dental premium for employees who retire with 25 or more years of service, 75% for employees who retire with 20-24 years of service, 50% for employees who retire with 15 – 19 years of service, and 25% for employees with 10-14 years of service. When a retired employee reaches age 65, the employee is responsible for 100% of the cost of the premium for dental coverage. The dental coverage ceases at age 70. The plan has a \$2,500 deductible and will pay a maximum of \$2,000 per year for any service provided by a local dentist.

Membership of the Plan consisted of the following at December 31, 2014, the date of the latest actuarial valuation:

	<u>General Employees</u>	<u>Law Enforcement Officers</u>
Retirees and dependents receiving benefits	229	-
Active plan members	<u>393</u>	<u>105</u>
Total	<u><u>622</u></u>	<u><u>105</u></u>

III. Detail Notes on All Funds: (continued)

Funding Policy. The City pays a portion of or up to the full cost of coverage for the healthcare benefits paid to qualified retirees under a City resolution that can be amended by the City Council. The City's members pay 100% for dependent coverage. The City has chosen to fund the healthcare benefits on a pay as you go basis.

The current ARC rate is 9.48% of annual covered payroll. For the current year, the City contributed \$873,194 or 3.48% of annual covered payroll toward actual benefit payments. The City obtains health care and dental coverage through a self-funded program and through a private insurer for life insurance benefits. The City's contributions totaled \$1,530,674 in fiscal year 2015. The City's obligation to contribute to the plan is established and may be amended by the City Council during the budget process.

Summary of Significant Accounting Policies. Postemployment expenditures are made from the Internal Service Fund, which is maintained on the accrual basis of accounting. Internal changes are made to various other City funds for the respective active employees, based upon the pre-determined City Contribution rate. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Annual OPEB Cost and Net OPEB Obligation. The City's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for the healthcare benefits:

Annual required contribution	\$ 2,230,941
Interest on net OPEB obligation	145,631
Adjustment to annual required contribution	<u>210,089</u>
Annual OPEB cost (expense)	2,166,483
Contributions made	<u>1,530,674</u>
Increase (decrease) in net OPEB obligations	635,809
Net OPEB obligation, beginning of year	<u>3,640,764</u>
Net OPEB obligation, end of year	<u><u>\$ 4,276,573</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 were as follows:

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 2,121,069	62.60%	\$ 3,246,250
2014	\$ 2,120,839	81.40%	\$ 3,640,764
2015	\$ 2,166,483	70.70%	\$ 4,276,573

III. Detail Notes on All Funds: (continued)

Funded Status and Funding Progress. As of December 31, 2014, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$23,513,952. The covered payroll (annual payroll of active employees covered by the plan was \$23,697,454, and the ratio of the UAAL to the covered payroll was 99.2% percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 7.50 to 5.00 percent annually. The investment rate included a 3.00 percent inflation assumption. The actuarial value of assets, if any, was determined using a market valuation. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2014 was 30 years.

2. Other Employment Benefit

The City has also elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Benefit Plan. The City has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The City considers these contributions to be immaterial.

The Local Government Employees Retirement System provides group-term life insurance to City employees ranging from \$25,000 up to \$50,000 depending on their salary. The City also provides group-term life insurance equal to one and a half times the employee's salary up to a maximum of \$150,000. Any amount of the two coverages combined that exceeds \$50,000 is taxed as an employee fringe benefit and included on the employee's annual W-2.

III. Detail Notes on All Funds: (continued)

3. Deferred Outflows and Inflows of Resources

Deferred inflows of resources at year end is comprised of the following:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Pension deferrals	\$ -	\$ 7,260,747
Prepaid taxes not yet earned	-	19,530
Taxes receivable (net) – general fund	-	552,180
Taxes receivable (net) – Downtown Special Tax	-	62,924
Home loan receivable	-	
Contributions to pension plan in current fiscal year	<u>1,981,518</u>	<u>-</u>
 Total	 <u>\$ 1,981,518</u>	 <u>\$ 7,895,381</u>

4. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City partially self-insures workers compensation coverage, with commercial insurance providing coverage for workers compensation claims in excess of \$200,000 per claim (\$225,000 if a vehicle claim). The commercial insurance provides \$1,000,000 in coverage for claims in excess of the City's assumed aggregate risk of \$1,000,000 annually. The City also retains the risk for Employers' Liability Coverage of \$500,000 in aggregate annually. At June 30, 2015 the Workers Compensation Self Insurance Fund had recorded a liability of \$113,258 for estimated unpaid claims.

The City provides its employees with dental coverage through a choice of self-insurance plans. Covered claims are limited to a maximum of \$1,500 per employee annually. At June 30, 2015, the Dental Self Insurance Fund had recorded a liability of \$52,083 for estimated unpaid claims.

On July 1, 1999, the City began to partially self-insure group health benefits, with commercial insurance providing coverage for health benefit claims in excess of \$125,000 per claim. The commercial coverage provides \$4,875,000 in coverage for claims in excess of the City's assumed claim risk of \$125,000. The City also has commercial coverage for claims exceeding approximately \$4,523,895 in aggregate annually. At June 30, 2015 the Group Health Benefits Fund had a recorded liability of \$ 549,065 for estimated unpaid claims.

III. Detail Notes on All Funds: (continued)

A summary of changes in the liability recorded for estimated unpaid claims follows:

	<u>Balance</u> <u>July 1, 2014</u>	<u>Estimated</u> <u>Claims</u> <u>Incurred</u>	<u>Claims</u> <u>Paid</u>	<u>Balance</u> <u>June 30, 2015</u>
<u>2015</u>				
Workers Compensation				
Self Insurance Fund	\$ 113,258	\$ 676,101	\$ 676,101	\$ 113,258
Dental Self Insurance Fund	56,913	572,372	577,202	52,083
Group Health Benefits Fund	<u>502,301</u>	<u>6,774,167</u>	<u>6,727,403</u>	<u>549,065</u>
	<u>\$ 672,472</u>	<u>\$ 8,022,640</u>	<u>\$ 7,980,706</u>	<u>\$ 714,406</u>

	<u>Balance</u> <u>July 1, 2013</u>	<u>Estimated</u> <u>Claims</u> <u>Incurred</u>	<u>Claims</u> <u>Paid</u>	<u>Balance</u> <u>June 30, 2014</u>
<u>2014</u>				
Workers Compensation				
Self Insurance Fund	\$ 113,258	\$ 258,432	\$ 258,432	\$ 113,258
Dental Self Insurance Fund	56,913	584,755	584,755	56,913
Group Health Benefits Fund	<u>502,301</u>	<u>4,774,037</u>	<u>4,774,037</u>	<u>502,301</u>
	<u>\$ 672,472</u>	<u>\$ 5,617,224</u>	<u>\$ 5,617,224</u>	<u>\$ 672,472</u>

The City carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years. The City has obtained flood insurance coverage through Millennium Insurance Group; the City has purchased coverage of \$1,000,000 per occurrence.

In accordance with G.S. 159-29, the City's employees that have access to \$100 or more at any given time of the City's funds are performance bonded through a commercial surety bond. The finance officer is individually bonded for \$100,000 and the tax collector is bonded for \$25,000. The remaining employees that have access to funds are bonded under a blanket bond for \$50,000.

The Burlington Downtown Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Burlington Downtown Corporation has property, general liability, workers' compensation, and employee health coverages. Claims have not exceeded coverage in any of the past three fiscal years and there has been no significant reduction in insurance coverage in the prior year.

5. Claims, Judgments, and Contingent Liabilities

At June 30, 2015, the City was a defendant to various lawsuits. In the opinion of the City's management and the City attorney, the ultimate effect of these legal matters will not have a material adverse effect on the City's financial position.

III. Detail Notes on All Funds: (continued)

6. Long-Term Obligations

a. Installment Purchase

On October 11, 1995, the City entered into an installment purchase contract to finance recreational facility improvements. The financing contract requires thirty semi-annual payments of \$161,471 beginning April 11, 1996 with interest at 4.91% per annum. On September 2, 2003, the City amended its original financing contract to finance the recreational facility improvements. The financing contract now requires fifteen semi-annual payments of \$146,562 beginning October 11, 2003 with interest at 2.6% per annum. On May 13, 2002 the City entered into a second installment purchase contract to finance the construction of the Springwood Recreation Park. The financing contract requires thirty semi-annual payments of \$133,333 beginning November 13, 2002 with interest at 4.78% per annum. On August 15, 2003, the City amended its second installment purchase contract to finance the construction of the Springwood Recreation Park. The financing contract now requires twenty-eight semi-annual payments of \$133,333 beginning November 13, 2003 with interest at 3.840% per annum. On August 31, 2012 the City entered into an installment purchase contract to purchase various pieces of equipment. The financing contract requires three annual payments of \$453,527.26 beginning September 5, 2012 with interest at 1.030%. On August 13, 2013 the City entered into an installment purchase contract to purchase various pieces of equipment. The financing contract requires three annual payments of \$544,452 beginning September 3, 2013 with interest of .920%. On August 22, 2014 the City entered into an installment purchase contract to purchase various pieces of equipment. The financing contract requires three annual payments of \$541,239 beginning August 22, 2014 with interest of .89%.

Annual debt service payments of the installment purchase as of June 30, 2015, including \$44,989 of interest, are as follows:

	<u>Governmental Activities</u>	
<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 1,337,904	\$ 32,375
2017	<u>802,972</u>	<u>12,614</u>
Present value of the minimum lease payments	<u>\$ 2,104,876</u>	
Total interest payments		<u>\$ 44,989</u>

III. Detail Notes on All Funds: (continued)

b. General Obligation Indebtedness

The City's general obligation bonds serviced by the governmental funds were issued for the acquisition of public safety equipment. Those general obligation bonds issued to finance the construction of facilities utilized in the operations of the water and sewer system and which are being retired by its resources are reported as long-term debt in the Water and Sewer Fund. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the City. Principal and interest requirements are appropriated when due.

Bonds payable at June 30, 2015 are comprised of the following individual issues:

General Obligation Bonds

Serviced by the General Fund:

\$5,521,801 of 2005 General Obligation Refunding Bonds due in annual installments of \$31,305 to \$662,616 through February 1, 2019; interest at rates ranging from 3.75% to 5.00% per annum. This bond was paid off in 2015. -

\$9,300,000 of 2006 General Obligation Street Bonds due in annual installments of \$465,000 through June 1, 2016; interest at rates ranging from 3.60% to 4.20% per annum. 465,000

\$5,321,000 of 2013 refinanced General Obligation Bonds due in annual installments ranging from \$74,000 to \$543,000 through June 1, 2026; interest at 1.85% annum. The amount shown includes unamortized bond premium of \$91,978. 5,186,978

Serviced by the Water and Sewer Fund:

\$4,047,000 of 2015 General Obligation Refunding bonds due in annual installments of \$399,000 to \$1,262,000 through February 1, 2019; interest at 1.05% per annum. 4,047,000

\$10,353,198 of 2005 General Obligation Refunding Bonds due in annual installments of \$58,695 to \$1,242,384 through February 1, 2019; interest at rates ranging from 3.75% to 5.00% per annum. This bond was paid off in 2015 -

\$ 9,698,978

III. Detail Notes on All Funds: (continued)

At June 30, 2015 the City of Burlington had a legal debt margin of \$363,184,821.

General Obligation Bonds

Annual debt service requirements to maturity for long-term obligations are as follows:

Year Ending June 30	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	Principal	Interest	Principal	Interest
2016	\$ 542,000	\$ 116,346	\$ 1,262,000	\$ 42,257
2017	543,000	92,833	1,218,000	29,243
2018	535,000	82,788	1,168,000	16,454
2019	526,000	72,890	399,000	4,190
2020	517,000	63,159	-	-
2021-2025	2,440,000	175,843	-	-
2026	<u>457,000</u>	<u>8,455</u>	-	-
Total	<u>\$ 5,560,000</u>	<u>\$ 612,314</u>	<u>\$ 4,047,000</u>	<u>\$ 92,144</u>

c. Revenue Bonds

\$11,825,000 of Combined Enterprise System Revenue bonds, Series 2010A Interest is payable semiannually on February 1st and August 1st at a fixed rate ranging from 3.0% to 5.0%. Principal amounts will be due on February 1st beginning in 2012 and maturing in 2024.

\$ 7,675,000

Year Ending June 30	Principal	Interest
2016	\$ 1,080,000	\$ 329,437
2017	1,085,000	286,237
2018	1,095,000	242,838
2019	1,115,000	188,087
2020	670,000	143,488
2021-2024	<u>2,630,000</u>	<u>293,113</u>
	<u>\$ 7,675,000</u>	<u>\$ 1,483,200</u>

\$10,700,000 of Combined Enterprise System Revenue bonds, Series 2010B Build America Bonds (Direct Payment). Interest is payable semiannually on February 1st and August 1st at a fixed rate of 5.412% to 6.975%. The City will receive a subsidy of 35 percent of interest cost from the Federal Government.

\$ 10,700,000

Year Ending June 30	Principal	Interest
2016	\$ -	\$ 702,820
2017	-	702,820
2018	-	702,820
2019	-	702,820
2020	450,000	702,820
2021-2025	2,510,000	3,120,631
2026-2030	3,060,000	2,267,326
2031-2035	3,810,000	1,124,021
2036	<u>870,000</u>	<u>60,683</u>
	<u>\$ 10,700,000</u>	<u>\$ 10,086,762</u>

III. Detail Notes on All Funds: (continued)

Revenue bonds (continued)

\$18,370,000 of Combined Enterprise System Revenue bonds, Series 2011 Interest is payable semiannually on February 1st and August 1st at a fixed rate ranging from 3.0% to 5.0%. Principal amounts will be due on February 1st beginning in 2012 and maturing in 2037.

\$ 16,980,000

Year Ending June 30	Principal	Interest
2016	\$ 495,000	\$ 714,075
2017	515,000	694,274
2018	535,000	673,674
2019	555,000	652,275
2020	580,000	630,075
2021-2025	3,245,000	2,800,175
2026-2030	3,920,000	2,132,963
2031-2035	4,860,000	1,186,713
2036-2037	<u>2,275,000</u>	<u>145,989</u>
	<u>\$ 16,980,000</u>	<u>\$ 9,630,213</u>

The City has been in compliance with the covenants as to rates, fees, rentals and charges in Section 704 of the Bond Order, authorizing the issuance of the Water and Sewer Bonds, Series 2010A, 2010 B and 2011 since its adoption. The City has pledged future water and sewer customer revenues, net of specified operating expenses, for repayment of \$75,009,946 in water and sewer system revenue bonds issue 2010A and 2010 B and 2011. Proceeds from the bonds provided financing for various upgrades and repairs to the city's dams, water and sewer plants. The bonds are payable solely from water and sewer customer net revenues and are payable through 2037. The total principal and interest remaining to be paid on all outstanding series of revenue bonds was \$56,555,175 as of June 30, 2015. Certain financial covenants are combined in the revenue bond order, including a covenant to budget and collect revenues in the combined enterprise system sufficient enough to pay the principal and interest requirements and maintain unrestricted net assets at a level that provides that 15% of unrestricted net assets on the last day of the fiscal year added to Income Available for Debt Service will not be less than 120% of the long-term debt service requirement for parity indebtedness for such fiscal year. Pledged unrestricted net assets at June 30, 2015 were \$5,016,881 to provide a coverage ratio of 662%. The long-term debt service coverage ratio calculations for the year ended June 30, 2015, is as follows:

Operating revenues	\$27,292,611
Operating expenses*	15,760,218
Operating income	11,532,393
Nonoperating revenues (expenses)**	(132,957)
Income available for debt service	11,399,436
Debt service, principal and interest paid (Revenue bond only)	2,005,823
Debt service coverage ratio	568%

*Per rate covenants, this does not include the depreciation expense of \$5,660,545

** Per rate covenants, this does not include revenue bond interest paid of \$1,206,603

The City also has \$4,336,631 of System GO Indebtedness outstanding that is associated with the bonds.

III. Detail Notes on All Funds: (continued)

e. Advance Refunding

On December 31, 2010 the City issued \$11,825,000 in Combined System Revenue Bonds with interest ranging from 2.75% to 5% with a final maturity in 2024. These bonds were issued to defease the 2004 Certificates of Participation and for the water and sewer project. The amount defeased was \$9,940,000. The net proceeds of \$8,963,078 along with the City's payment of \$2,100,391 were used to purchase U.S. government t securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Certificates. As a result, the liabilities for the 2004 Certificates of Participation have been removed from the Water & Sewer Fund.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$153,460. This difference related to water and sewer certificates is reported in the accompanying financial statements as an addition to bonds payable and is being amortized over the life of the new debt. The bond issuance costs associated with the advance refunding were capitalized and are being amortized over the life of the refunded debt. The City completed the advance refunding to reduce its total future debt service payments by \$1,614,608.

On April 12, 2013 the City issued \$5,321,000 in General Obligation Refunding Bonds, Series 2013 with an interest bearing rate of 1.85% to advance refund \$5,260,860.18 of the 2006 General Obligation Street Bonds with interest rates ranging from 3.60% to 4.20%. The net proceeds of the \$5,321,000 refunding bonds were used to purchase U.S. Government Securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Refunded bonds. As a result the liability of what the Refunding Bonds covered were removed from the books.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$206,000. The difference is reported in the accompanying financial statements as an addition to bonds payable and is being amortized over the life of the new debt. The City completed the advance refunding to reduce its total future debt service payments by \$880,059.

Changes in Long-Term Liabilities

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015	Current Portion of Balance
Governmental activities:					
General Obligation bonds	\$ 8,865,249	\$ -	\$ 3,305,249	\$ 5,560,000	\$ 542,000
Add: Bond premium	<u>129,096</u>	<u>-</u>	<u>37,118</u>	<u>91,978</u>	<u>-</u>
Total General Obligation bonds	<u>\$ 8,994,345</u>	<u>\$ -</u>	<u>\$ 3,342,367</u>	<u>\$ 5,651,978</u>	<u>\$ 542,000</u>
Installment purchase	\$ 2,323,955	\$ 1,608,961	\$ 1,792,040	\$ 2,140,876	\$ 1,337,904
Compensated absences	2,373,519	1,546,452	1,384,818	2,535,153	887,295
Net pension liability (LRS)	3,829,556	-	3,829,556	-	-
OPEB liability	<u>3,094,649</u>	<u>540,438</u>	<u>-</u>	<u>3,635,087</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$20,616,024</u>	<u>\$ 3,695,851</u>	<u>\$10,348,781</u>	<u>\$ 13,963,094</u>	<u>\$ 2,767,199</u>

III. Detail Notes on All Funds: (continued)

Business-type activities:

General obligation bonds	\$ 5,184,752	\$ 4,047,000	\$ 5,184,752	\$ 4,047,000	\$ 1,262,000
Revenue Bonds	\$36,915,000	\$ -	\$ 1,560,000	\$ 35,355,000	\$ 1,575,000
Add: Bond premium	<u>906,088</u>	<u>-</u>	<u>42,061</u>	<u>864,027</u>	<u>-</u>
Total revenue bonds	<u>\$37,821,088</u>	<u>\$ -</u>	<u>\$ 1,602,061</u>	<u>\$ 36,219,027</u>	<u>\$ 2,837,000</u>
Compensated absences	\$ 423,219	\$ 298,054	\$ 301,477	\$ 419,796	\$ 146,929
Net pension liability (LGERS)	484,853	-	484,853	-	-
OPEB liability	<u>546,115</u>	<u>95,370</u>	<u>-</u>	<u>641,485</u>	<u>-</u>
Business-type activity long-term liabilities	<u>\$44,460,027</u>	<u>\$ 4,440,424</u>	<u>\$ 7,573,143</u>	<u>\$ 41,327,308</u>	<u>\$ 2,983,929</u>

Compensated absences for governmental activities has typically been liquidated in the General Fund.

C. Interfund Balances and Activity

Due to/Due From between the Governmental and Proprietary funds is due to the internal service fund being blended into the Governmental fund of \$501,426.

Transfers to/from other funds at June 30, 2015 consist of the following:

	<u>Transfers</u>	
	<u>In</u>	<u>Out</u>
Transfers To/From Other Funds:		
<u>General Fund</u>		
Capital Reserve Fund	3,540,400	1,850,522
Group Health Benefits	-	35,002
MPO Planning Transportation	-	73,354
Workmen's Compensation	-	277,854
Bureau of Just Asst Comm Orient Police Grant	<u>-</u>	<u>2,894</u>
Total General Fund	<u>3,540,400</u>	<u>2,239,626</u>
<u>Capital Reserve Fund</u>		
General Fund	1,850,522	3,540,400
Fire Station No. 6	-	3,894,000
ARRA Piedmont Way Widening/Sidewalk	-	87,767
Drainage Improvements	<u>-</u>	<u>25,000</u>
Total Capital Reserve	<u>1,850,522</u>	<u>7,547,167</u>

III. Detail Notes on All Funds: (continued)

	Transfers	
	<u>In</u>	<u>Out</u>
<u>Special Revenue Funds</u>		
MPO Planning Transportation General Fund	73,354	-
Home Program Project Fund Rental Rehabilitation Loan Program Fund	20,275	-
Rental Rehabilitation Loan Program Fund Home Program Project Fund	-	20,275
Bureau of Justice Asst Comm Orient Police General Fund	2,894	-
Total Special Revenue Fund	<u>96,523</u>	<u>20,275</u>
<u>Internal Service Funds</u>		
Group Health Benefits General Fund	35,002	-
Water & Sewer Fund	70,000	-
Workmen's Compensation Fund General Fund	277,854	-
Water & Sewer Fund	118,570	-
Total Internal Service Fund	<u>501,426</u>	<u>-</u>
<u>Water Fund</u>		
Water Capital Reserve	-	406,891
Sewer Capital Reserve	-	406,890
Jordan Lake Rules	443,169	-
Stoney Creek Lake Cammack	744,849	-
Jordan Lake Rules #2	436,506	-
Workmen's Compensation	-	118,570
Group Health Insurance	-	70,000
Total Water Fund	<u>1,624,524</u>	<u>1,002,351</u>
<u>Water Capital Projects</u>		
Water Capital Reserve Water & Sewer Fund	406,891	-
Sewer Capital Reserve Water & Sewer Fund	406,890	-
Sewer Capital Reserve Whites Kennel Road Water and Sewer Lines – Golden Leaf	-	39,479
Whites Kennel Road Water and Sewer Lines – Golden Leaf Sewer Capital Reserve	39,479	-
Water Capital Reserve Hwy 87 Ossipee Water Line	-	330,000
Hwy 87 Ossipee Water Line Water Capital Reserve	330,000	-
Jordan Lake Rules 2 nd Phase Water & Sewer Fund	-	436,506
Storm WaterFund Mebane St./Grand Oaks	77,224	-
Mebane St./Grand Oaks Storm Water Fund	-	77,224

III. Detail Notes on All Funds: (continued)

	<u>Transfers</u>	
	<u>In</u>	<u>Out</u>
White Kennel Road		
Sewer Capital Reserve	-	237,941
Sewer Capital Reserve		
White Kennel Road	237,941	-
Stoneu Creek Lack Caammack		
Water & Sewer Fund	-	744,849
Jordan Lake Rules		
Water & Sewer Fund	<u>-</u>	<u>443,169</u>
Total Water Capital Projects	<u>1,498,425</u>	<u>2,309,168</u>
<u>Capital Projects</u>		
Drainage Improvements		
Capital Reserve Fund	25,000	-
Fire Station No. 6		
Capital Reserve Fund	3,894,000	-
ARRA Piedmont Way Widening and Sidewalk		
Capital Reserve Fund	<u>87,767</u>	<u>-</u>
Total Capital Projects	<u>4,006,767</u>	<u>-</u>
Total Operating Transfers	<u>\$ 13,118,587</u>	<u>\$ 13,118,587</u>

Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts providing matching funds for various grant programs.

D. On-Behalf Payments for Fringe Benefits and Salaries

For the fiscal year ended June 30, 2015, the City of Burlington has recognized on-behalf payments for pension contributions made by the State as a revenue and an expenditure of \$21,716 for the 89 employed fireman who perform firefighting duties for the City's fire department. The employees elected to be members of the Firefighter and Rescue Worker's Pension Fund, a cost-sharing, multiple employer public employee retirement system established and administered by the State of North Carolina. The Plan is funded by a \$10 monthly contribution paid by each member, investment income, and a State appropriation.

Also, the City has recognized as a revenue and an expenditure on-behalf payments for fringe benefits and salaries of \$21,716 for the salary supplement and stipend benefits paid to eligible firefighter by the local board of trustees of the Firefighter's Relief Fund during the fiscal year ended June 30, 2015. Under State law the local board of trustees for the Fund receives an amount each year, which the board may use at its own discretion for eligible firefighter or their departments.

III. Detail Notes on All Funds: (continued)

E. Net Investment in Capital Assets

	<u>Governmental</u>	<u>Business-type</u>
Capital assets	\$ 61,515,570	\$ 154,805,752
Less: long-term debt	7,792,853	40,266,027
Add: unexpended debt proceeds	<u>-</u>	<u>-</u>
	<u>\$ 53,722,717</u>	<u>\$ 114,539,725</u>

F. Fund Balance

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation:

Total fund balance – General Fund	\$	49,132,247
Less:		
Stabilization by State Statute		5,472,018
Historic Books		1,418
Animal Shelter		562
Capital Reserve Fund		11,279,424
Appropriated Fund Balance in 2015 budget		1,636,986
General Government		4,316,000
Economic Development		3,000,000
Public Works		3,125,000
Parks and Recreation		1,882,466
Public Safety:		
Police		1,700,000
Fire		3,750,000
Disaster Management		500,000
Working Capital/Fund Balance Policy		12,468,373
Remaining Fund Balance		-

IV. Jointly Governed Organization

The City, in conjunction with six counties and thirty-two other municipalities, established the Piedmont Triad Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The City paid membership fees of \$15,751 to the Council during the fiscal year ended June 30, 2015.

V. Joint Ventures

The City, in conjunction with the City of Graham, participates in the Burlington-Graham Board of Alcoholic Control. Each participating government appoints two members to the five-member board. The two governments jointly appoint one member to the Board. The ABC Board is a joint venture established to facilitate control over alcoholic beverages within the two cities. The City of Burlington and the City of Graham are legally obligated under the intergovernmental agreement that created the ABC Board to honor any deficiencies in the event that proceeds from other default remedies are insufficient. The two cities were not required to contribute to the ABC Board during the fiscal year ended June 30, 2014. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2015. Complete financial statements for the ABC Board can be obtained from the administrative offices at 603 W. Harden Street, City of Graham, NC 27253.

VI. Related Organization

The members of the governing board of the Burlington Housing Authority are appointed by the City but the City has no authority in selecting the management of the Authority. The City is not responsible for financing any deficits of the Authority nor is it entitled to any surpluses. The Authority does operate within the geographical boundaries of the City and is for the benefit of the residents of the City. The City exercises no financial or budgetary control over the Authority.

VII. Summary Disclosure of Significant Contingencies

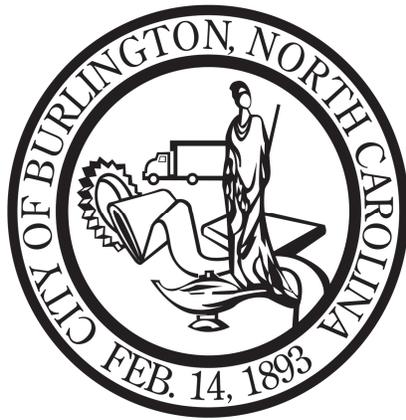
Federal and State Assisted Programs

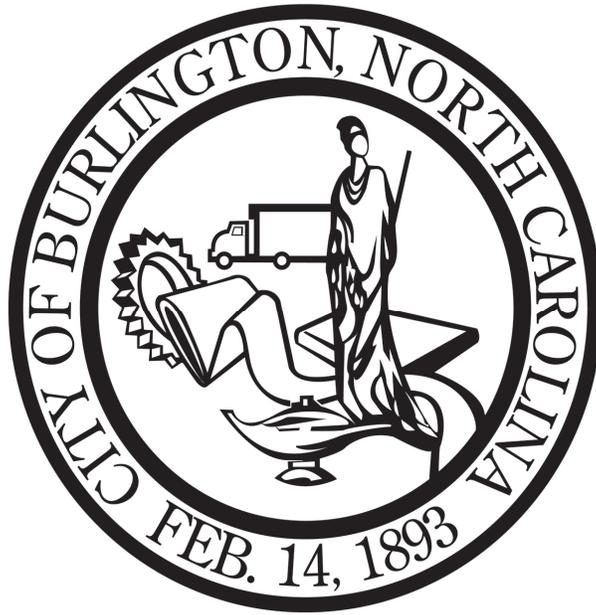
The City has received proceeds from federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

VIII. Change in Accounting Principles/Restatement

The City implemented Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*, in the fiscal year ending June 30, 2015. The implementation of the statement required the City to record beginning net pension liability and the effects on net position of contributions made by the City during the measurement period (fiscal year ending June 30, 2014). As a result, net position for the governmental and business-type activities decreased by \$3,829,556 and \$333,004, respectively.

See independent auditor's report.





**REQUIRED SUPPLEMENTAL
FINANCIAL DATA**

REQUIRED
SUPPLEMENTAL FINANCIAL DATA

This section contains additional information required by generally accepted accounting principles.

- Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance.
- Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance.
- Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance.
- Schedule of Funding Progress for the Other Postemployment Benefits.
- Schedule of Employer Contributions for the the Other Postemployment Benefits.
- Notes to the Required Schedules for the Other Postemployment Benefits.
- Schedule of Proportionate Share of Net Pension Asset for Local Government Employees' Retirement System
- Schedule of Contributions to Local Government Employees' Retirement System
- Schedule of Proportions Share of Net Pension Liability for Firefighters' and Rescue Squad Workers' Pension Plan

CITY OF BURLINGTON, NORTH CAROLINA
 LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date *	Actuarial Value of Assets ** (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/09	-	4,198,917	4,198,917	-%	6,192,080	67.81%
12/31/10	-	4,027,810	4,027,810	-%	6,454,034	62.41%
12/31/11	-	4,075,535	4,075,535	-%	6,400,341	63.68%
12/31/12	-	4,184,153	4,184,153	-%	6,774,469	61.76%
12/31/13	-	4,257,307	4,257,307	-%	6,900,739	61.69%
12/31/14	-	4,296,896	4,296,893	-%	7,406,005	58.02%

* Information is based on the actuarial studies performed as of December 31, 2014, 2013, 2012, 2011, 2010, and 2009, respectively. No actuarial studies were performed for the City prior to 1996.

** At Cost.

CITY OF BURLINGTON, NORTH CAROLINA
 LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>Required</u> <u>Contribution</u>	<u>Percentage</u> <u>Contributed</u>
2009	288,703	144.91%
2010	313,873	131.15%
2011	387,593	104.59%
2012	387,359	110.07%
2013	398,066	105.63%
2014	433,876	108.33%
2015	530,627	87.28%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	12/31/2014
Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar closed
Remaining amortization period	16 Years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.25% - 7.85%
* Includes inflation at	3.00%
Cost of living adjustments	N/A

CITY OF BURLINGTON, NORTH CAROLINA
 OTHER POSTEMPLOYMENT BENEFITS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date *	Actuarial Value of Assets ** (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/08	-	\$ 17,050,699	17,050,699	-%	\$ 24,769,558	68.80%
12/31/09	-	22,509,884	22,509,884	-%	23,783,806	94.60%
12/31/10	-	25,648,600	25,648,600	-%	24,696,478	103.90%
12/31/11	-	22,526,021	22,526,021	-%	24,050,629	93.70%
12/31/12	-	22,819,240	22,819,240	-%	23,875,839	95.06%
12/31/13	-	23,527,448	23,527,448	-%	23,539,826	99.90%
12/31/14	-	23,513,952	23,513,952	-%	23,697,454	99.20%

CITY OF BURLINGTON, NORTH CAROLINA
OTHER POSTEMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>Required</u> <u>Contribution</u>	<u>Percentage</u> <u>Contributed</u>
2013	2,121,069	62.60%
2014	2,120,839	81.40%
2015	2,166,483	70.70%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	12/31/2014
Actuarial cost method	Projected Unit Credit
Amortization method	Level Dollar Amount, Open
Remaining amortization period	30 Years
Amortization Factor	17.9837
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Investment rate of return*	4.00%
Projected salary increases*	7.75%-5.00%
Year of Ultimate trend rate	2020
* Includes inflation at	3.00%

CITY OF BURLINGTON, NORTH CAROLINA
 CITY OF BURLINGTON'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
 Required Supplementary Information
 Last Two Fiscal Years

Local Government Employees' Retirement System

	<u>2015</u>	<u>2014</u>
City of Burlington's proportion of the net pension liability (asset) (%)	0.4983%	0.5028%
City of Burlington's proportion of the net pension liability (asset) (\$)	(2,938,645)	6,060,671
City of Burlington's covered –employee payroll	27,673,809	26,647,845
Burlington's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(10.62%)	22.47%
Plan fiduciary net position as a percentage of the total Pension liability**	102.64%	94.35%

*The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

**This will be the same percentage for all participant employers in the LGERS plan.

CITY OF BURLINGTON, NORTH CAROLINA
 CITY OF BURLINGTON'S CONTRIBUTIONS
 Required Supplementary Information
 Last Two Fiscal Years

Local Government Employees' Retirement System

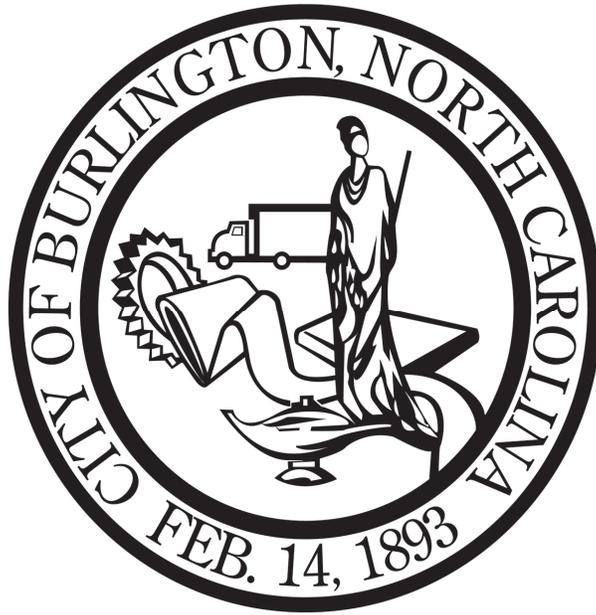
	<u>2015</u>	<u>2014</u>
Contractually required contribution	1,981,518	1,898,880
Contributions in relation to the contractually required contribution	<u>1,981,518</u>	<u>1,898,880</u>
Contribution deficiency(excess)	<u> -</u>	<u> -</u>
Burlington's covered-employee payroll	27,673,809	26,647,845
Contributions as a percentage of covered- Employee payroll	7.41%	7.28%

CITY OF BURLINGTON, NORTH CAROLINA
 City of Burlington's Proportionate Share of Net Pension Liability
 Required Supplementary Information
 Last Two Fiscal Years

Firefighters' and Rescue Squad Workers' Pension

	<u>2015</u>
Burlington's proportionate share of the net pension liability(%)	0.000%
Burlington's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension Liability associated with the City of Burlington	<u>21,722</u>
Total	<u><u>21,722</u></u>
 Burlington's covered-employee payroll	 4,206,632
Burlington's proportionate share of the net pension liability as a percentage of its covered-employee payroll	.52%
Plan fiduciary net position as a percentage of the total pension liability	93.42%

*The amounts presented for the fiscal year ending June 30,2015 were determined as of June 30,2014.



GENERAL FUND
Individual Fund Schedule

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 BALANCE SHEET
 For the Fiscal Year Ended June 30, 2015

June 30,
2015

ASSETS

Cash and cash equivalents	\$	34,413,431
Receivables (net):		
Taxes		891,720
Accounts		<u>5,604,540</u>
Total assets	\$	<u><u>40,909,691</u></u>

LIABILITIES AND FUND BALANCES

LIABILITIES:		
Accounts payable and accrued liabilities	\$	2,013,096
Deferred revenues		<u>1,043,772</u>
Total liabilities		<u>3,056,868</u>
FUND BALANCES:		
Restricted :		
Stabilization by State Statute		5,472,018
Historic Books		1,418
Animal Shelter		562
Assigned		
Subsequent Years Expenditures		1,636,986
General Government		4,316,000
Economic Development		3,000,000
Public Works		3,125,000
Parks and Recreation		1,882,466
Public Safety		5,950,000
Unassigned		<u>12,468,373</u>
Total fund balances		<u>37,852,823</u>
Total liabilities and fund balances	\$	<u><u>40,909,691</u></u>

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Ad Valorem Taxes:			
Current year	\$	\$ 26,072,136	\$
Prior year		673,565	
Penalties and interest		129,585	
Tax discounts		(75,127)	
Total	<u>25,629,220</u>	<u>26,800,159</u>	<u>1,170,939</u>
Other Taxes and Licenses:			
Payment in lieu of taxes		119,365	
Privilege licenses		528,583	
Cable TV franchise tax		379,130	
Local option sales tax		11,072,001	
Total	<u>10,863,783</u>	<u>12,099,079</u>	<u>1,235,296</u>
Unrestricted Intergovernmental Revenues:			
Utility franchise tax		3,915,074	
Beer and wine tax		245,127	
Alamance County fuel purchase		452,476	
ABC revenue		163,350	
Alamance Jr. Tennis Foundation		19,350	
Total	<u>4,266,130</u>	<u>4,795,377</u>	<u>529,247</u>
Restricted Intergovernmental Revenues:			
ABC police contract		35,218	
Powell Bill allocation		1,452,375	
N. C. Department of Transportation		471,132	
On-behalf of Payments- Fire and rescue		21,722	
Camp Green Leaves		14,500	
PTCOG Grants		1,025	
Alamance-Burlington Schools – Afterschool Program		185,505	
Alamance-Burlington Schools – School Guards		80,080	
Animal Shelter		11,733	
Miscellaneous		111,066	
Teen to Teen Theatre		250	

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues: (continued)			
Restricted Intergovernmental			
Revenues: (continued)			
Junior Police Academy		17,340	
Fire grants		42,070	
Spay/Neuter Clinic		255	
Recreation		51,049	
Senior Programs		59,143	
Reimbursed Cost		631,352	
Police donations-Melvin Hall		1,300	
Splash Park Pad		500,000	
NCHFA Urgent Repair Grant		49,986	
Donations		4,000	
North Park in Motion Program		845	
Total	<u>3,075,337</u>	<u>3,741,946</u>	<u>666,609</u>
Permits and Fees:			
Building permits and			
inspection fees		612,960	
Fees and permits – other		630,340	
Total	<u>966,400</u>	<u>1,243,300</u>	<u>276,900</u>
Sales and Services:			
Animal Control – Alamance			
County		382,489	
Miscellaneous		259,810	
Recreation department			
revenues		1,933,729	
Cemetery lots and fees		144,150	
Sanitation fees		1,298,661	
Total	<u>4,207,458</u>	<u>4,018,839</u>	<u>(188,619)</u>
Investment Earnings:			
Investment earnings		78,815	
Interest earned-			
street assessment		6,736	
Vacant Lot / Demo			
Interest		22,293	
Total	<u>177,251</u>	<u>107,844</u>	<u>(69,407)</u>
Miscellaneous:			
Sale of properties and			
materials		113,503	
Miscellaneous		222,497	
Total	<u>171,000</u>	<u>336,000</u>	<u>165,000</u>
Total Revenues	<u>49,356,579</u>	<u>53,142,544</u>	<u>3,785,965</u>

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (<u>Negative</u>)
Expenditures:			
General Government:			
City Council:			
Salaries and employee benefits		67,696	
Operating expenditures		<u>61,334</u>	
Total		129,030	
Reimbursement from Water and Sewer Fund	<u> </u>	<u>(42,910)</u>	<u> </u>
Total City Council	<u>118,716</u>	<u>86,120</u>	<u>32,596</u>
Public Administration:			
Salaries and employee benefits		277,034	
Operating expenditures		<u>21,401</u>	
Total		298,435	
Reimbursement from Water and Sewer Fund	<u> </u>	<u>(123,247)</u>	<u> </u>
Total Public Administration	<u>177,444</u>	<u>175,188</u>	<u>2,256</u>
Public Information:			
Salaries and employee benefits		125,356	
Operating expenditures		<u>69,789</u>	
Total		195,145	
Reimbursement from Water and Sewer Fund	<u> </u>	<u>(66,851)</u>	<u> </u>
Total Public Information	<u>159,088</u>	<u>128,294</u>	<u>30,794</u>
Finance:			
Supervision:			
Salaries and employee benefits		482,061	
Operating expenditures		<u>18,745</u>	
Total		500,806	
Reimbursement from Water and Sewer Fund		<u>(277,510)</u>	
Net		<u>223,296</u>	

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (<u>Negative</u>)
Expenditures: (continued)			
General Government: (continued)			
Finance(continued):			
Collections:			
Salaries and employee benefits		285,667	
Operating expenditures		<u>141,406</u>	
Total		<u>427,073</u>	
Reimbursement from Water and Sewer Fund		<u>(218,148)</u>	
Net		<u>208,925</u>	
Purchasing:			
Salaries and employee benefits		248,319	
Operating expenditures		12,480	
Capital Outlay		<u>-</u>	
Total Purchasing		<u>260,799</u>	
Total Finance	<u>794,941</u>	<u>693,020</u>	<u>101,921</u>
Information Technologies:			
Salaries and employee benefits		613,593	
Operating expenditures		489,889	
Capital outlay		<u>48,476</u>	
Total		1,151,958	
Reimbursement from Water and Sewer Fund		<u>(394,084)</u>	
Total Information Technologies	<u>760,798</u>	<u>757,874</u>	<u>2,924</u>
Legal:			
Salaries and employee benefits		218,102	
Operating expenditures		<u>124,380</u>	
Total		342,482	
Reimbursement from Water and Sewer Fund		<u>(192,642)</u>	
Total Legal	<u>404,661</u>	<u>149,840</u>	<u>254,821</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures: (continued)			
General Government: (continued)			
Human Resources:			
Salaries and employee benefits		251,059	
Operating expenditures		<u>525,436</u>	
Total		776,495	
Reimbursement from Water and Sewer Fund	_____	<u>(177,927)</u>	_____
Total Human Resources	<u>602,515</u>	<u>598,568</u>	<u>3,947</u>
Planning GIS Division:			
Salaries and employee Benefits		163,741	
Operating expenditures		33,939	
Capital Outlay		<u>6,001</u>	
Total		203,681	
Reimbursement from Water and Sewer Fund	_____	<u>(149,494)</u>	_____
Total Planning GIS Division	<u>119,569</u>	<u>54,187</u>	<u>65,382</u>
Planning:			
Salaries and employee benefits		597,923	
Operating expenditures		236,058	
Capital Outlay		<u>23,195</u>	
Total		857,176	
Reimbursement from Water and Sewer Fund	_____	<u>(149,494)</u>	_____
Total Planning	<u>830,058</u>	<u>707,682</u>	<u>122,376</u>
Inspections:			
Salaries and employee benefits		269,929	
Operating expenditures		90,743	
Capital outlay		<u>-</u>	
Total		360,672	
Reimbursement from Water and Sewer Fund	_____	<u>(149,494)</u>	_____
Total Inspections	<u>233,526</u>	<u>211,178</u>	<u>22,348</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (<u>Negative</u>)
Expenditures: (continued)			
General Government: (continued)			
Engineering:			
Salaries and employee benefits		550,479	
Operating expenditures		31,293	
Capital Outlay		-	
Total		581,772	
Reimbursement from Water and Sewer Fund		(258,199)	
Total Engineering	<u>372,410</u>	<u>323,573</u>	<u>48,837</u>
Traffic Control Supervisor:			
Salaries and employee benefits		425,181	
Operating expenditures		223,480	
Capital Outlay		-	
Total Traffic Control	<u>738,615</u>	<u>648,661</u>	<u>89,954</u>
Transportation Tech Services:			
Salaries and employee benefits		624,546	
Operating expenditures		35,038	
Capital Outlay		-	
Total Transportation Tech Services	<u>729,489</u>	<u>659,584</u>	<u>69,905</u>
Street lighting	<u>650,000</u>	<u>638,569</u>	<u>11,431</u>
General Administration and Building:			
Salaries and employee benefits		1,589,272	
Insurance		491,227	
Operating expenditures		1,016,632	
Special projects		232,500	
Total General Administration and Building	<u>3,533,030</u>	<u>3,329,631</u>	<u>203,399</u>
Total General Government	<u>10,224,860</u>	<u>9,161,969</u>	<u>1,062,891</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Public Safety:			
Police:			
Administration:			
Salaries and employee benefits		793,743	
Operating expenditures		937,093	
Capital outlay		<u>28,418</u>	
Total		<u>1,759,254</u>	
Records:			
Salaries and employee benefits		212,419	
Operating expenditures		149,375	
Capital Outlay		<u>10,997</u>	
Total		<u>372,791</u>	
Training and Personnel Services:			
Salaries and employee benefits		203,516	
Operating expenditures		240,792	
Capital Outlay		<u>-</u>	
Total		<u>444,308</u>	
Criminal Investigations:			
Salaries and employee benefits		1,204,877	
Operating expenditures		<u>132,043</u>	
Total		<u>1,336,920</u>	
Field Operations Division:			
Salaries and employee benefits		5,441,014	
Operating expenditures		55,023	
Capital Outlay		<u>-</u>	
Total		<u>5,496,037</u>	
Retirees:			
Salaries and employee benefits		<u>496,868</u>	
Total		<u>496,868</u>	

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures: (continued)			
Public Safety: (continued)			
Police: (continued)			
Community Policing:			
Salaries and employee benefits		1,856,687	
Operating expenditures		59,054	
Capital Outlay		-	
Total		<u>1,915,741</u>	
Animal Services-Field:			
Salaries and employee benefits		81,377	
Operating expenditures		<u>2,021</u>	
Total		<u>83,398</u>	
Identification:			
Salaries and employee benefits		170,112	
Operating expenditures		38,668	
Capital Outlay		<u>66,649</u>	
Total		<u>275,429</u>	
Communications:			
Salaries and employee benefits		782,224	
Operating expenditures		550,124	
Capital Outlay		-	
Total		<u>1,332,348</u>	
Animal Services Shelter:			
Salaries and employee benefits		605,476	
Operating expenditures		293,666	
Capital Outlay		<u>63,198</u>	
Total		<u>962,340</u>	
Informational Services:			
Salaries and employee benefits		71,921	
Operating expenditures		<u>741</u>	
Total		<u>72,662</u>	

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures: (continued)			
Public Safety: (continued)			
Police: (continued)			
Spay/Neuter:			
Salaries and employee benefits		45,139	
Operating expenditures		<u>105,935</u>	
Total		<u>151,074</u>	
Special Operations:			
Salaries and employee benefits		576,473	
Operating expenditures		<u>48,148</u>	
Total		<u>624,621</u>	
Emergency Management:			
Salaries and employee benefits		65,238	
Operating expenditures		<u>18,634</u>	
Total	<u> </u>	<u>83,872</u>	<u> </u>
Total Police	<u>15,849,684</u>	<u>15,407,663</u>	<u>442,021</u>
Fire:			
Supervision:			
Salaries and employee benefits		517,732	
Operating expenditures		19,496	
Capital Outlay		<u>-</u>	
Total		<u>537,228</u>	
Training:			
Salaries and employee benefits		166,572	
Operating expenditures		16,974	
Capital outlay		<u>-</u>	
Total		<u>183,546</u>	

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures: (continued)			
Public Safety: (continued)			
Fire: (continued)			
Industrial Inspection and Prevention:			
Salaries and employee Benefits		433,164	
Operating expenditures		<u>15,582</u>	
Total		<u>448,746</u>	
Fire Fighting:			
Salaries and employee benefits		4,573,298	
Operating expenditures		407,240	
Capital Outlay		<u>456,366</u>	
Total		<u>5,436,904</u>	
Fire Station and Buildings:			
Operating expenditures		156,973	
Capital Outlay		<u>9,934</u>	
Total		<u>166,907</u>	
Training Center:			
Operating expenditures		<u>55,318</u>	
Total		<u>55,318</u>	
Emergency Response Equipment:			
Operating expenditures		145,428	
Capital Outlay		<u>-</u>	
Total		<u>145,428</u>	
Total Fire	<u>8,293,897</u>	<u>6,974,077</u>	<u>1,319,820</u>
Total Public Safety	<u>24,143,581</u>	<u>22,381,740</u>	<u>1,761,841</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (<u>Negative</u>)
Expenditures (continued):			
Public Works:			
Public Works Department:			
Public Works Supervision:			
Salaries and employee benefits		201,065	
Operating expenditures		17,062	
Capital outlay		-	
Total		<u>218,127</u>	
Building Maintenance:			
Salaries and employee benefits		573,681	
Operating expenditures		<u>164,995</u>	
Total		<u>738,676</u>	
Sustainability:			
Salaries and employee Benefits		170,606	
Operating expenditures		(4,577)	
Capital Outlay		-	
Total		<u>166,029</u>	
Equipment Maintenance:			
Salaries and employee benefits		681,570	
Operating expenditures		447,807	
Capital Outlay		-	
Total		<u>1,129,377</u>	
Street Signs - Marking:			
Salaries and employee benefits		162,338	
Operating expenditures		54,169	
Capital Outlay		<u>34,429</u>	
Total		<u>250,936</u>	
Municipal Building:			
Operating expenditures		<u>169,597</u>	
Total		<u>169,597</u>	
May Memorial Library:			
Operating expenditures		<u>120,305</u>	
Total		<u>120,305</u>	
Total Public Works Department	<u>3,037,495</u>	<u>2,793,047</u>	<u>244,448</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (<u>Negative</u>)
Expenditures (continued):			
Public Works Department (continued):			
Street Department:			
Supervision:			
Salaries and employee benefits		173,843	
Operating expenditures		22,627	
Capital outlay		-	
Total		<u>196,470</u>	
Maintenance-Paved Streets:			
Salaries and employee benefits		730,026	
Operating Expenditures		564,013	
Capital Outlay	_____	<u>1,258,995</u>	_____
Total	_____	<u>2,553,034</u>	_____
Total Street Department	<u>3,161,601</u>	<u>2,749,504</u>	<u>412,097</u>
Sanitation Department:			
Supervision:			
Salaries and employee benefits		136,834	
Operating expenditures		38,224	
Capital Outlay		<u>239,806</u>	
Total		<u>414,864</u>	
Garbage and Waste Collection:			
Salaries and employee benefits		678,945	
Operating expenditures		1,293,152	
Capital Outlay		<u>53,183</u>	
Total	_____	<u>2,025,280</u>	_____
Total Sanitation	<u>2,593,689</u>	<u>2,440,144</u>	<u>153,545</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Public Works Department (continued):			
Cemetery Department:			
Maintenance:			
Supervision:			
Salaries and employee benefits		165,608	
Operating expenditures		<u>6,233</u>	
Total		<u>171,841</u>	
Interment and Maintenance:			
Salaries and employee benefits		529,305	
Operating expenditures		184,988	
Capital Outlay		<u>53,664</u>	
Total		<u>767,957</u>	
Total Cemetery	<u>1,003,493</u>	<u>939,798</u>	<u>63,695</u>
Street Tree Program:			
Salaries and employee benefits		21,296	
Operating expenditures		<u>12,920</u>	
Total Street Program	<u>43,445</u>	<u>34,216</u>	<u>9,229</u>
Total Public Works	<u>9,839,723</u>	<u>8,956,709</u>	<u>883,014</u>
Cultural and Recreation:			
Recreation:			
Supervision:			
Salaries and employee benefits		483,172	
Operating expenditures		<u>15,251</u>	
Total		<u>498,423</u>	
Day Camps and Afterschools:			
Salaries and employee Benefits		550,122	
Operating expenditures		<u>133,181</u>	
Total		<u>683,303</u>	

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (<u>Negative</u>)
Expenditures: (continued)			
Cultural and Recreation:			
Recreation: (continued)			
Athletics:			
Salaries and employee benefits		730,107	
Operating expenditures		605,878	
Capital Outlay		<u>147,302</u>	
Total		<u>1,483,287</u>	
Special Events:			
Salaries and employee benefits		7,027	
Operating expenditures		<u>223,707</u>	
Total		<u>230,734</u>	
Fairchild Stadium:			
Operating expenditures		59,492	
Capital Outlay		<u>287,505</u>	
Total		<u>346,997</u>	
Recreation Buildings:			
Salaries and employee benefits		1,105,001	
Operating expenditures		584,337	
Capital outlay		<u>264,236</u>	
Total		<u>1,953,574</u>	
Aquatics:			
Salaries and employee benefits		299,119	
Operating expenditures		181,629	
Capital Outlay		<u>96,892</u>	
Total		<u>577,640</u>	

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (<u>Negative</u>)
Expenditures: (continued)			
Cultural and Recreation:			
Recreation: (continued)			
Camp Green Leaves:			
Salaries and employee benefits		37,270	
Operating expenditures		<u>22,146</u>	
Total		<u>59,416</u>	
Amusement Park:			
Salaries and employee benefits		107,299	
Operating expenditures		92,536	
Capital Outlay		<u>-</u>	
Total		<u>199,835</u>	
Golf Course:			
Salaries and employee benefits		457,412	
Operating expenditures		276,943	
Capital outlay		<u>-</u>	
Total		<u>734,355</u>	
Paramount Theater:			
Salaries and employee benefits		184,078	
Operating expenditures		72,967	
Capital Outlay		<u>26,476</u>	
Total		<u>283,521</u>	
 Total Cultural and Recreation	 <u>7,058,648</u>	 <u>7,051,085</u>	 <u>7,563</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures: (continued)			
Debt Service:			
Principal - bond	3,311,991	3,308,731	3,260
Interest and other charges - bond	252,741	252,741	-
Principal - capital lease	1,792,039	1,792,039	-
Interest and other charges - capital lease	<u>42,038</u>	<u>42,033</u>	<u>5</u>
Total Debt Service	<u>5,398,809</u>	<u>5,395,544</u>	<u>3,265</u>
Total Expenditures	<u>56,665,621</u>	<u>52,947,046</u>	<u>3,718,575</u>
Revenues Over (Under) Expenditures	<u>(7,309,042)</u>	<u>195,498</u>	<u>7,504,540</u>
Other Financing Sources (Uses):			
Transfers from (to) other funds:			
Bureau of Justice Asst. Community Orient Police	(2,894)	(2,894)	-
Worker's Compensation Self Insurance Fund	(277,854)	(277,854)	-
Issuance from installment financing	1,608,961	1,608,961	-
Group Health Benefits	(35,002)	(35,002)	-
MPO Transportation	(73,354)	(73,354)	-
Capital Reserve Fund	(1,650,522)	(1,850,522)	(200,000)
Capital Reserve Fund	<u>3,540,400</u>	<u>3,540,400</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>3,109,735</u>	<u>2,909,735</u>	<u>(200,000)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,199,307)	3,105,233	<u>\$ 7,304,540</u>
Fund Balance Appropriated	<u>4,199,307</u>		
	<u>\$</u>		
Fund Balances beginning		<u>34,747,590</u>	
Fund Balances, ending		<u>\$ 37,852,823</u>	

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL RESERVE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2015

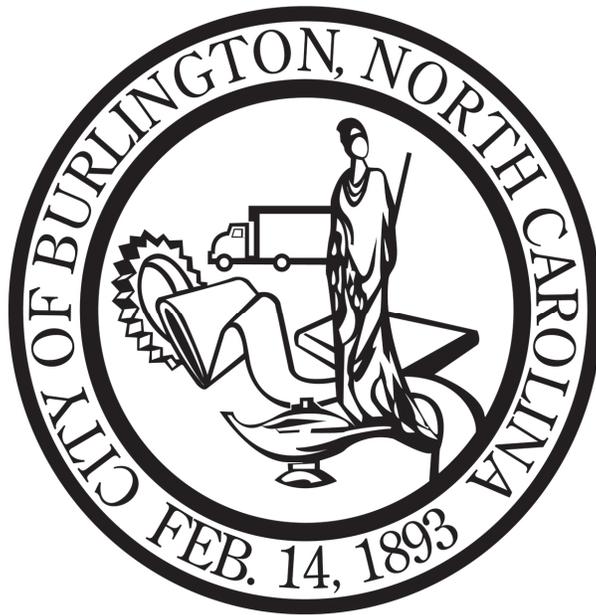
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Investment Earnings	\$ _____	\$ 50,681	\$ _____
Total Revenues	_____ -	_____ 50,681	_____ 50,680
Expenditures:			
Professional Services	-	-	-
Infrastructure	_____ 875,522	_____ -	_____ 875,522
Total Expenditures	_____ 875,522	_____ -	_____ 875,522
Revenues Over (Under) Expenditures	\$ _____ (875,522)	_____ 50,681	\$ _____ 926,202
Other Financing Sources (Uses):			
Transfer from (to) other funds			
General Fund	(3,540,400)	(3,540,400)	-
Drainage Improvement Project	(25,000)	(25,000)	-
Fire Station No. 6	(3,894,000)	(3,894,000)	-
ARRA Piedmont Way	(87,767)	(87,767)	-
General Fund	_____ 1,650,522	_____ 1,850,522	_____ 200,000
Total Other Financing Sources	_____ (5,896,645)	_____ (5,696,645)	_____ 200,000
Revenues and Other Sources Over (Under) Expenditures	\$ _____ (6,772,167)	_____ (5,645,964)	\$ _____ 1,126,202
Fund balance, appropriated	_____ 6,722,167		
Net change in fund balance	\$ _____ -		
Fund balance, beginning		_____ 16,925,388	
Fund balance, ending		\$ _____ 11,279,424	

CITY OF BURLINGTON
BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2015

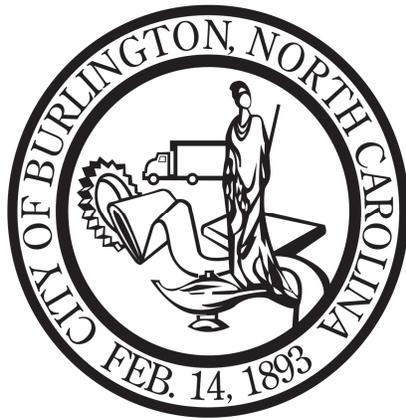
	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,468,339	\$ 4,672,079	\$ 6,140,418
Receivables, net:			
Taxes	62,924	-	62,924
Accounts	252,616	-	252,616
Housing rehabilitation loans	2,253,537	-	2,253,537
Home incentive loans	85,600	-	85,600
Total Assets	\$ 4,123,016	\$ 4,672,079	\$ 8,795,095
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 48,265	\$ 85,981	\$ 134,246
Deferred revenue	62,924	-	62,924
Total Liabilities	111,189	85,981	197,170
Fund balances:			
Restricted:			
Stabilization by State Statute	-	-	-
Economic Development	3,319,789	-	3,319,789
Public Safety	460,696	-	460,696
Committed for Capital Development	-	4,586,098	4,586,098
Assigned for Subsequent Expenditures	251,624	-	251,624
Unassigned	(20,282)	-	(20,282)
Total Fund Balances	4,011,827	4,586,098	8,597,925
Total liabilities and fund balances	\$ 4,123,016	\$ 4,672,079	\$ 8,795,095

CITY OF BURLINGTON
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES			
Ad valorem taxes	\$ 128,326	\$ -	\$ 128,326
Unrestricted intergovernmental	118,816	-	118,816
Restricted intergovernmental	1,163,752	-	1,163,752
Sales and services	47,944	-	47,944
Investment earnings	121	447	568
Miscellaneous	25,554	-	25,554
Total revenues	1,484,513	447	1,484,960
EXPENDITURES			
Current:			
Public Safety	542,519	-	542,519
Economic and physical development	917,901	-	917,901
Culture and recreation	153,057	-	153,057
Capital Outlay	-	701,859	701,859
Total expenditures	1,613,477	701,859	2,315,336
Revenues over (under) expenditures	(128,964)	(701,412)	(830,376)
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	76,248	4,006,767	4,083,015
Transfers to other funds	(20,275)	-	(20,275)
Total other financing sources	55,973	4,006,767	4,062,740
Revenue and other sources over expenditures and other uses	(72,991)	3,305,355	3,232,364
Fund balances:			
Fund balances - beginning	4,084,818	1,280,743	5,365,561
Fund balances - ending	<u>\$ 4,011,827</u>	<u>\$ 4,586,098</u>	<u>8,597,925</u>



SPECIAL REVENUE FUNDS
Combining Schedules
and
Individual Fund Schedules



CITY OF BURLINGTON, NORTH CAROLINA
ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
For The Fiscal Year Ended June 30, 2015

	Community Development Fund	Rehabili- tation Loan Program Fund	Rental Rehabili- tation Loan Program Fund	Downtown Specil Tax District Fund	RICO Fund	Edward Byrne Justice Assistance Grant Fund	Guilford Mackintosh Fund	Controlled Substance Tax Fund
<u>ASSETS</u>								
Cash and cash equivalents	\$ 24,280	\$ 194,218	\$ 354,919	\$ -	\$ 409,013	\$ 104,545	\$ -	\$ 22,087
Receivables (net):								
Taxes	-	-	-	62,924	-	-	-	-
Accounts	-	33,213	135,100	-	-	-	24,155	-
Housing Rehabilitation loans	-	1,795,565	457,972	-	-	-	-	-
Home Incentive loans	-	85,600	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 24,280</u>	<u>\$ 2,108,596</u>	<u>\$ 947,991</u>	<u>\$ 62,924</u>	<u>\$ 409,013</u>	<u>\$ 104,545</u>	<u>\$ 24,155</u>	<u>\$ 22,087</u>
<u>LIABILITIES AND FUND BALANCES</u>								
Liabilities:								
Accounts payable and accrued liabilities	\$ 2,786	\$ 477	\$ -	\$ -	\$ 565	\$ -	\$ 24,155	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	62,924	-	-	-	-
Total Liabilities	<u>2,786</u>	<u>477</u>	<u>-</u>	<u>62,924</u>	<u>565</u>	<u>-</u>	<u>24,155</u>	<u>-</u>
Fund Balances								
Restricted								
Stabilization by State Statute	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Economic Development	21,494	1,957,169	921,701	-	-	-	-	-
Public Safety	-	-	-	-	335,064	104,545	-	21,087
Assigned								
Subsequent Years Expenditures	-	150,950	26,290	-	73,384	-	-	1,000
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>21,494</u>	<u>2,108,119</u>	<u>947,991</u>	<u>-</u>	<u>408,448</u>	<u>104,545</u>	<u>-</u>	<u>22,087</u>
Total Liabilities and Fund balances	<u>\$ 24,280</u>	<u>\$ 2,108,596</u>	<u>\$ 947,991</u>	<u>\$ 62,924</u>	<u>\$ 409,013</u>	<u>\$ 104,545</u>	<u>\$ 24,155</u>	<u>\$ 22,087</u>

MPO Planning Transportation Fund	Medicare Part D Grant Project Fund	Public Transportation Fund	Bureau of Justice Assistance Community Oriented Policing Grant	Totals
\$ 354,484	\$ 4,793	\$ -	\$ -	\$ 1,468,339
-	-	-	-	62,924
60,148	-	-	-	252,616
-	-	-	-	2,253,537
-	-	-	-	85,600
-	-	-	-	-
<u>\$ 414,632</u>	<u>\$ 4,793</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,123,016</u>
\$ -	\$ -	\$ 2,485	\$ 17,797	\$ 48,265
-	-	-	-	-
-	-	-	-	62,924
-	-	2,485	17,797	111,189
\$ -	\$ -	\$ -	\$ -	\$ -
414,632	4,793	-	-	3,319,789
-	-	-	-	460,696
-	-	-	-	-
-	-	-	-	251,624
-	-	(2,485)	(17,797)	(20,282)
<u>414,632</u>	<u>4,793</u>	<u>(2,485)</u>	<u>(17,797)</u>	<u>4,011,827</u>
<u>\$ 414,632</u>	<u>\$ 4,793</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,123,016</u>

CITY OF BURLINGTON, NORTH CAROLINA
 ALL SPECIAL REVENUE FUNDS
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Fiscal Year Ended June 30, 2015

	Community Development Fund	Rehabilitation Loan Program Fund	Rental Rehabili- tation Loan Program Fund	Downtown Special Tax District Fund	RICO Fund
Revenues:					
Ad Valorem taxes	\$ -	\$ -	\$ -	\$ 128,326	\$ -
Unrestricted					
intergovernmental	-	-	-	-	-
Restricted intergovernmental	395,694	-	-	-	312,984
Sales and services	-	-	-	-	-
Investment earnings	-	15	-	-	65
Miscellaneous	-	12,113	13,441	-	-
Total Revenues	<u>395,694</u>	<u>12,128</u>	<u>13,441</u>	<u>128,326</u>	<u>313,049</u>
Expenditures:					
Current:					
Public Safety	-	-	-	-	320,918
Cultural and recreation	-	-	-	-	-
Economic and physical development	<u>395,877</u>	<u>67,041</u>	<u>(346)</u>	<u>128,326</u>	<u>-</u>
Total Expenditures	<u>395,877</u>	<u>67,041</u>	<u>(346)</u>	<u>128,326</u>	<u>320,918</u>
Revenue Over (Under)					
Expenditures	<u>(183)</u>	<u>(54,913)</u>	<u>13,787</u>	<u>-</u>	<u>(7,869)</u>
Other Financing Sources (Uses):					
Transfer from other funds	-	-	-	-	-
Transfer to other funds	-	-	(20,275)	-	-
Transfer to component unit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(20,275)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(183)</u>	<u>(54,913)</u>	<u>(6,488)</u>	<u>-</u>	<u>(7,869)</u>
Fund balance, beginning	<u>21,677</u>	<u>2,163,032</u>	<u>954,479</u>	<u>-</u>	<u>416,317</u>
Fund balance, ending	<u>\$ 21,494</u>	<u>\$ 2,108,119</u>	<u>\$ 947,991</u>	<u>\$ -</u>	<u>\$ 408,448</u>

Edward Byrne Justice Assistance Grant Fund	Guilford Mackintosh Fund	Controlled Substance Tax Fund	MPO Planning Transportation Fund	Medicare Part D Grant Project Fund	Public Transportation Fund	Bureau of Justice Assistance Community Oriented Policing Grant	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,326
-	105,113	13,703	-	-	-	-	118,816
65,121	-	-	274,542	-	-	115,411	1,163,752
-	47,944	-	-	-	-	-	47,944
-	-	-	41	-	-	-	121
-	-	-	-	-	-	-	25,554
65,121	153,057	13,703	274,583	-	-	115,411	1,484,513
59,692	-	66,912	-	-	-	94,997	542,519
-	153,057	-	-	-	-	-	153,057
-	-	-	321,368	3,150	2,485	-	917,901
59,692	153,057	66,912	321,368	3,150	2,485	94,997	1,613,477
5,429	-	(53,209)	(46,785)	(3,150)	(2,485)	20,414	(128,964)
-	-	-	73,354	-	-	2,894	76,248
-	-	-	-	-	-	-	(20,275)
-	-	-	-	-	-	-	-
-	-	-	73,354	-	-	2,894	55,973
5,429	-	(53,209)	26,569	(3,150)	(2,485)	23,308	(72,991)
99,116	-	75,296	388,063	7,943	-	(41,105)	4,084,818
<u>\$ 104,545</u>	<u>\$ -</u>	<u>\$ 22,087</u>	<u>\$ 414,632</u>	<u>\$ 4,793</u>	<u>\$ (2,485)</u>	<u>\$ (17,797)</u>	<u>\$ 4,011,827</u>

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2015

	Total Authorized Revenues	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Revenues:					
Restricted					
Intergovernmental:					
Federal Grants -					
Program Year:					
2015	\$ 412,593	\$	\$	\$	\$ (412,593)
2014	458,906	28,936	395,694	424,630	\$ (34,276)
2013	460,219	460,219	-	460,219	-
2012	398,713	398,713	-	398,713	-
2011	477,189	477,189	-	477,189	-
2010	439,247	439,247	-	439,247	-
2009	432,444	432,444	-	432,444	-
2008	447,676	447,676	-	447,676	-
2007	440,794	440,794	-	440,794	-
2006	490,388	490,388	-	490,388	-
2005	518,000	518,000	-	518,000	-
2004	531,000	531,000	-	531,000	-
Federal Recovery Grant	-	117,446	-	117,446	117,446
Total Restricted Intergovernmental	<u>5,507,169</u>	<u>4,782,052</u>	<u>395,694</u>	<u>5,177,746</u>	<u>(329,423)</u>
Miscellaneous Revenues:					
Urban renewal land sales and related income	-	145,641	-	145,641	145,641
Sale of property:					
2007	-	200	-	200	200
2004	-	200	-	200	200
1997	-	14,083	-	14,083	14,083
Program income - 1995	-	522	-	522	522
Total Miscellaneous Revenues	<u>-</u>	<u>160,646</u>	<u>-</u>	<u>160,646</u>	<u>160,646</u>
Total Revenues	<u>5,507,169</u>	<u>4,942,698</u>	<u>395,694</u>	<u>5,338,392</u>	<u>(168,777)</u>

Continued on next page

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2015

	<u>Total Authorized Costs</u>	<u>Reported In Prior Years</u>	<u>Actual</u>		<u>Variance Positive (Negative)</u>
			<u>Current Year</u>	<u>Total To Date</u>	
Expenditures:					
Economic and Physical Development:					
Program Year 2004:					
Public Works Facilities, Site Improvements:					
Durham Street/ Morgan Hill Trail	82,084	82,084	-	82,084	-
Glen Raven Project	155,467	155,467	-	155,467	-
Hunt Street Project	3,249	3,249	-	3,249	-
Ross Street Subdivision	50,000	50,000	-	50,000	-
FAS Plumbing Repairs	4,900	4,900	-	4,900	-
Provision of Public Services:					
North Park Library	12,000	12,000	-	12,000	-
Fairchild Comfort Station	4,800	4,800	-	4,800	-
Construction Training Program	65,000	65,000	-	65,000	-
Recreation Facilities Improvements	3,200	3,200	-	3,200	-
FAS Security System	3,500	3,495	-	3,495	5
Administration	110,000	101,975	-	101,975	8,025
Contingency	<u>36,800</u>	<u>62</u>	<u>-</u>	<u>62</u>	<u>36,738</u>
Total Program Year 2004	<u>531,000</u>	<u>486,232</u>	<u>-</u>	<u>486,232</u>	<u>44,768</u>
Program Year 2005:					
Public Works Facilities, Site Improvements:					
Glen Raven Project	340,000	340,000	-	340,000	-
Provision of Public Services:					
North Park Library	12,000	12,000	-	12,000	-
Construction Training Program	65,000	65,000	-	65,000	-
Administration	<u>89,908</u>	<u>89,908</u>	<u>-</u>	<u>89,908</u>	<u>-</u>
Total Program Year 2005	<u>506,908</u>	<u>506,908</u>	<u>-</u>	<u>506,908</u>	<u>-</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2015

	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Expenditures (continued):					
Economic and Physical					
Development (continued):					
Program Year 2006:					
Public Works					
Facilities, Site					
Improvements:					
Glen Raven					
Infrastructure	317,388	317,388	-	317,388	-
Provision of					
Public Services:					
North Park					
Library	10,000	10,000	-	10,000	-
Construction					
Training Program	65,000	65,000	-	65,000	-
Administration	<u>67,281</u>	<u>67,281</u>	-	<u>67,281</u>	-
Total Program					
Year 2006	<u>459,669</u>	<u>459,669</u>	-	<u>459,669</u>	-
Program Year 2007:					
Public Works					
Facilities, Site					
Improvements:					
Glen Raven					
Project	47,594	47,594	-	47,594	-
Church Street					
Sidewalk	48,038	48,038	-	48,038	-
Street Improvements					
(Jackson/Peace)	9,241	9,241	-	9,241	-
Storm Sewer					
Replacement	30,469	30,469	-	30,469	-
Provision of					
Public Services:					
Hall Avenue					
Facility Improvements	69,899	69,899	-	69,899	-
North Park					
Library	10,000	10,000	-	10,000	-
North Park					
Pool Upgrades	5,200	5,200	-	5,200	-
Fairchild Comfort					
Station	39,578	39,578	-	39,578	-
Construction					
Training Program	65,000	65,000	-	65,000	-
Administration	<u>49,642</u>	<u>49,642</u>	-	<u>49,642</u>	-
Total Program					
Year 2007	<u>374,661</u>	<u>374,661</u>	-	<u>374,661</u>	-

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2015

	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Expenditures (continued):					
Economic and Physical					
Development (continued):					
Program Year 2008:					
Public Works					
Facilities, Site					
Improvements:					
Sidewalk					
Improvements	90,160	90,160	-	90,160	-
Provision of					
Public Services:					
North Park					
Library	12,000	12,000	-	12,000	-
Recreation Facility					
Improvements	82,676	82,676	-	82,676	-
Hall Avenue Facility					
Improvements	97,286	97,286	-	97,286	-
Construction					
Training Program	65,000	65,000	-	65,000	-
Administration	<u>55,484</u>	<u>54,426</u>	<u>300</u>	<u>54,726</u>	<u>758</u>
Total Program					
Year 2008	<u>402,606</u>	<u>401,548</u>	<u>300</u>	<u>401,848</u>	<u>758</u>
Program Year 2009:					
Public Works					
Facilities, Site					
Improvements:					
Sidewalk					
Improvements	125,747	125,748	-	125,748	(1)
Provision of					
Public Services:					
North Park					
Library	12,000	12,000	-	12,000	-
Fairchild Park					
Improvements	127,444	127,444	-	127,444	-
Construction					
Training Program	65,000	65,000	-	65,000	-
Administration	<u>98,000</u>	<u>78,201</u>	<u>17,152</u>	<u>95,353</u>	<u>2,647</u>
Total Program					
Year 2009	<u>428,191</u>	<u>408,393</u>	<u>17,152</u>	<u>425,545</u>	<u>2,646</u>

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CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2015

	<u>Total Authorized Costs</u>	<u>Reported In Prior Years</u>	<u>Actual</u>		<u>Variance Positive (Negative)</u>
			<u>Current Year</u>	<u>Total To Date</u>	
Expenditures (continued):					
Economic and Physical					
Development (continued):					
Program Year 2010:					
Public Works					
Facilities, Site					
Improvements:					
Maple Avenue					
Sidewalk	112,699	112,699	-	112,699	-
Provision of					
Public Services:					
North Park					
Library	10,000	10,000	-	10,000	-
Residential					
Treatment					
Services					
Mebane					
Street Facility					
Repairs	9,175	9,175	-	9,175	-
North Park					
Improvements	100,000	100,000	-	100,000	-
Family Abuse					
Services					
Transitional					
Housing					
Upgrade	3,500	3,500	-	3,500	-
Construction					
Training Program	65,000	65,000	-	65,000	-
Administration	98,000	58,638	10,962	69,600	28,400
Total Program					
Year 2010	<u>398,374</u>	<u>359,012</u>	<u>10,962</u>	<u>369,974</u>	<u>28,400</u>

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CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2015

	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Expenditures (continued):					
Economic and Physical Development (continued):					
Program Year 2011:					
Public Works Facilities, Site Improvements:					
Water & Sewer Lines-Hunt St.	45,437	45,437	-	45,437	-
Provision of Public Services:					
North Park Library	10,000	10,000	-	10,000	-
Fairchild Park Upgrade	230,474	230,474	-	230,474	-
FAS Transitional Housing Upgrade	4,566	4,566	-	4,566	-
North Park Improvements	11,081	11,081	-	11,081	-
Picnic Site Improvements	12,343	12,343	-	12,343	-
Playground Equipment Upgrades	30,000	30,000	-	30,000	-
Relocation	10,171	10,170	-	10,170	1
Construction Training Program	65,000	65,000	-	65,000	-
Administration	98,000	54,340	396	54,736	43,264
Total Program Year 2011	517,072	473,411	396	473,807	43,265

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CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2015

	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Expenditures (continued):					
Economic and Physical Development (continued):					
Program Year 2012:					
Public Works					
Facilities, Site Improvements:					
Gilliam Road					
Water Line Project	58,508	58,508	-	58,508	-
Queen Anne St. Sewer Line Upgrade	128,847	128,847	-	128,847	-
Provision of Public Services:					
North Park					
Library	10,000	10,000	-	10,000	-
Fairchild Park Energy Improvements	40,700	40,700	-	40,700	-
Fairchild Generator Project	63,090	63,090	-	63,090	-
North Park Lighting Upgrade	21,130	21,130	-	21,130	-
Family Abuse Service Upgrade	7,776	7,776	-	7,776	-
Allied Churches Facility Upgrades	98,289	98,289	-	98,289	-
Construction					
Training Program	65,000	65,000	-	65,000	-
Administration	62,000	56,125	(1,785)	54,340	7,660
Total Program Year 2012	555,340	549,465	(1,785)	547,680	7,660

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CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2015

	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Expenditures (continued):					
Economic and Physical					
Development (continued):					
Program Year 2013:					
Public Works					
Facilities, Site					
Improvements:					
Ireland St. Sidewalk					
Project	114,835	114,835	-	114,835	-
Provision of					
Public Services:					
North Park					
Library	10,000	10,000	-	10,000	-
North Park Upgrades	5,000				5,000
Relocation	2,830	2,830	-	2,830	-
RTS Hall Avenue					
Upgrade	1,250	1,250	-	1,250	-
Fairchild Park					
Youth Program	51,430	51,430	-	51,430	-
Fairchild Soccer					
Park Paving	56,055	56,055	-	56,055	-
Fairchild Generator					
Project	17,874	17,839	-	17,839	35
FAS Emergency					
Shelter	3,305	3,305	-	3,305	-
Eva Barker Park	41,000	41,000	-	41,000	-
North Park HVAC					
Upgrade	9,650	9,650	-	9,650	-
RTS Mebane St					
Upgrade	8,990	8,990	-	8,990	-
Forest Hills					
Upgrade	4,398	4,398	-	4,398	-
Allied Churches Upgrade	8,232				8,232
Construction					
Training Program	65,000	65,000	-	65,000	-
Administration	62,000	51,519	2,820	54,339	7,661
Total Program					
Year 2013	461,849	438,101	2,820	440,921	20,928

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CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2015

	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Expenditures (continued):					
Economic and Physical					
Development (continued):					
Program Year 2014:					
Public Works					
Facilities, Site					
Improvements:					
Mebane St. Sidewalk					
Project	181,159	140,322	3,200	143,522	37,637
Mebane St. Crosswalk					
Project	33,300	33,300	-	33,300	-
Provision of					
Public Services:					
North Park					
Library	26,237	26,237	-	26,237	-
RTS Hall Avenue					
Upgrade	13,040	13,040	-	13,040	-
Fairchild Park					
Upgrade	10,000	9,399	-	9,399	601
Allied Churches					
Upgrade	60,931	51,821	-	51,821	9,110
Construction					
Training Program	65,000	65,000	-	65,000	-
Burl Development Corp	7,239	-	-	-	7,239
Administration	62,000	1,223	46,010	47,233	14,767
Total Program					
Year 2014	458,906	340,342	49,210	389,552	69,354
Program Year 2015:					
Public Works					
Facilities, Site					
Improvements:					
Friendly Ave Culvert	75,000	-	25,449	25,449	49,551
Mebane St Crosswalk Proj					
Provision of					
Public Services:					
North Park Library	14,137	-	12,156	12,156	1,981
RTS Hall Avenue Upgrade					
North Park Gym Upgrades	108,860	-	113,460	113,460	(4,600)
Allied Churches Upgrade	54,600	-	70,718	70,718	(16,118)
Relocation	7,000	-	7,000	7,000	-
Construction					
Training Program	65,000	-	65,000	65,000	-
Burl Development Corp	19,903	-	22,090	22,090	(2,187)
Administration	68,093	-	949	949	67,144
Total Program					
Year 2015	412,593	-	316,822	316,822	95,771

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2015

	<u>Total Authorized Costs</u>	<u>Reported In Prior Years</u>	<u>Actual</u>		<u>Variance Positive (Negative)</u>
			<u>Current Year</u>	<u>Total To Date</u>	
Total Expenditures	<u>5,507,169</u>	<u>4,797,742</u>	<u>395,877</u>	<u>5,193,619</u>	<u>313,550</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>144,956</u>	<u>(183)</u>	<u>144,773</u>	<u>144,773</u>
Other Financing Sources (Uses):					
Transfers from (to) other funds:					
Mebane St./					
St. John Culvert	(117,450)	(117,446)	-	(117,446)	4
Rehabilitation	215,999	-	-	-	(215,999)
Loan Program					
Fund:					
Program Year:					
1996	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing (Uses)	<u>98,549</u>	<u>(117,446)</u>	<u>-</u>	<u>(117,446)</u>	<u>(215,999)</u>
Revenues and Other Sources Over (Under) Expenditures And Other Uses	\$ <u>98,549</u>	\$ <u>27,510</u>	(183)	\$ <u>27,327</u>	\$ <u>(71,222)</u>
Fund balance, appropriated	<u>(98,549)</u>				
Net change in fund balance	<u>\$ -</u>				
Fund balance, beginning			<u>21,677</u>		
Fund balance, ending			<u>\$ 21,494</u>		

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – REHABILITATION LOAN PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Investment earnings	\$ _____	\$ _____ 15	\$ _____
Miscellaneous:			
Interest on loans	_____	_____ 12,113	_____
Total Revenues	_____ 16,000	_____ 12,128	_____ (3,872)
Expenditures:			
Economic and Physical Development:			
Operating expenditures		84,072	
Provision for bad debts		(17,031)	
Total Expenditures	_____ 166,950	_____ 67,041	_____ 99,909
Revenues Over (Under) Expenditures	(150,950)	(54,913)	<u>\$ 96,037</u>
Fund balance, appropriated	_____ 150,950		
Net change in fund balance	\$ _____ -		
Fund balance, beginning		_____ 2,163,032	
Fund balance, ending		<u>\$ 2,108,119</u>	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – RENTAL REHABILITATION LOAN PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Investment earnings	\$	\$	-
Miscellaneous:			
Miscellaneous Income		-	
Interest on loans	<u> </u>	<u>13,441</u>	<u> </u>
Total Revenues	<u>2,000</u>	<u>13,441</u>	<u>11,441</u>
Expenditures:			
Economic and Physical Development:			
Provision for bad debts	<u> </u>	<u>(346)</u>	<u> </u>
Total Expenditures	<u>10,000</u>	<u>(346)</u>	<u>10,346</u>
Revenues Over (Under) Expenditures	<u>(8,000)</u>	<u>13,787</u>	<u>21,787</u>
Other Financing Sources (Uses):			
Transfers to other fund:			
Home Program Project	<u>(20,275)</u>	<u>(20,275)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(20,275)</u>	<u>(20,275)</u>	<u>-</u>
Revenues (Under) Expenditures and Other Uses	<u>(28,275)</u>	<u>(6,488)</u>	<u>\$ 21,787</u>
Fund balance, appropriated	<u>28,275</u>		
Net change in fund balance	<u>\$ -</u>		
Fund balance, beginning		<u>954,479</u>	
Fund balance, ending		<u>\$ 947,991</u>	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – DOWNTOWN SPECIAL TAX DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Ad Valorem Taxes:			
Taxes	\$	\$ 129,273	\$
Tax discounts	<u> </u>	<u> (947)</u>	<u> </u>
Total	<u> 151,300</u>	<u> 128,326</u>	<u> (23,179)</u>
Sales and Services:			
Parade Holiday Events		-	
Farmers market		-	
Promotional sales	<u> </u>	<u> -</u>	<u> </u>
Total	<u> 160,100</u>	<u> -</u>	<u> (160,100)</u>
Total Revenues	<u> 311,400</u>	<u> 128,326</u>	<u> (183,279)</u>
Expenditures:			
Economic and Physical Development:			
Salaries and employee benefits		-	
Operating expenditures		128,326	
Equipment	<u> </u>	<u> -</u>	<u> </u>
Total Expenditures	<u> 335,300</u>	<u> 128,326</u>	<u> 207,179</u>
Revenues Over (Under) Expenditures	(23,900)	-	<u>\$ 23,900</u>
Other Financing Sources (Uses):			
Transfers to other fund:			
Energy Efficiency Upgrade Main Street 2	<u> -</u>	<u> -</u>	<u> -</u>
Total Other Financing Sources (Uses)	<u> -</u>	<u> -</u>	<u> -</u>
Revenues (Under) Expenditures and Other Uses	(23,900)	-	<u>\$ 23,900</u>
Fund balance, appropriated	<u> 23,900</u>		
Net change in fund balance	<u>\$ -</u>		
Fund balance, beginning		<u> -</u>	
Fund balance, ending		<u>\$ -</u>	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - HOME PROGRAM PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2015

	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Revenues:					
Restricted					
Intergovernmental:					
Federal Grant	\$ 4,643,639	\$ 3,788,271	\$ 484,862	\$ 4,273,133	\$ (370,506)
Federal Grant - County	2,011,381	1,520,006	199,298	1,719,304	(292,077)
State Grant	-	2,667	-	2,667	2,667
Local Funds	<u>36,465</u>	<u>6,481</u>	<u>-</u>	<u>6,481</u>	<u>(29,984)</u>
Total	6,691,485	5,317,425	684,160	6,001,585	(689,900)
Miscellaneous:					
Program Income	761,198	525,313	80,916	606,229	(154,969)
Miscellaneous Income	<u>-</u>	<u>25</u>	<u>-</u>	<u>25</u>	<u>25</u>
Total Revenues	<u>7,452,683</u>	<u>5,842,763</u>	<u>765,076</u>	<u>6,607,839</u>	<u>(844,844)</u>
Expenditures:					
Economic and Physical Development:					
Administrative	449,569	365,617	16,233	381,850	67,719
Homebuyer assistance	166,167	51,353	2,000	53,353	112,814
CHDO project assistance	960,415	729,469	46,074	775,543	184,872
Rehabilitation – owner	6,116,203	1,751,799	597,992	2,349,791	3,766,412
Rehabilitation rental	313,250	115,442	-	115,442	197,808
Lead based paint reduction	37,500	37,500	-	37,500	-
Relocation	64,781	64,781	-	64,781	-
CTP Housing Activities	780,000	263,552	65,000	328,552	451,448
Provision for bad debts	<u>-</u>	<u>297,903</u>	<u>141,783</u>	<u>439,686</u>	<u>(439,686)</u>
Total Expenditures	<u>8,887,885</u>	<u>3,677,416</u>	<u>869,082</u>	<u>4,546,498</u>	<u>4,341,387</u>

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CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - HOME PROGRAM PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2015

	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Revenues Over (Under) Expenditures	<u>(1,435,202)</u>	<u>2,165,347</u>	<u>(104,006)</u>	<u>2,061,341</u>	<u>3,496,543</u>
Other Financing Sources:					
Transfers from other funds:					
HOME Investment Partnership Project Fund	-	450,726	-	450,726	450,726
Rental Rehabilitation Loan Program	716,014	729,723	20,275	749,998	33,984
Rehabilitation Loan Program Fund	-	232,688	-	232,688	232,688
Single Family Housing Project Fund	-	143,664	-	143,664	143,664
Total Other Financing Sources	<u>716,014</u>	<u>1,556,801</u>	<u>20,275</u>	<u>1,577,076</u>	<u>861,062</u>
Revenues and Other Sources Over (Under) Expenditures	(719,188)	<u>\$ 3,722,148</u>	(83,731)	<u>\$ 3,638,417</u>	<u>\$ 4,357,605</u>
Fund balance, beginning	<u>719,188</u>		<u>3,722,148</u>		
Fund balance, ending	<u>\$ -</u>		<u>\$ 3,638,417</u>		

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – RICO FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted Intergovernmental:			
Rico funds	\$	\$ 312,984	\$
Dept. of Treasury		-	
Investment earnings	<u> </u>	<u> 65</u>	<u> </u>
Total Revenues	<u> -</u>	<u> 313,049</u>	<u> 313,049</u>
Expenditures:			
Public Safety:			
Rico funds	<u> </u>	<u> 320,918</u>	<u> </u>
Total Expenditures	<u> 339,328</u>	<u> 320,918</u>	<u> 18,410</u>
Revenues Over (Under) Expenditures	<u> (339,328)</u>	<u> (7,869)</u>	<u> 331,459</u>
			<u><u> \$ 331,459</u></u>
Fund balance, appropriated	<u> 339,328</u>		
Net change in fund balance	<u><u> \$ -</u></u>		
Fund balance, beginning		<u> 416,317</u>	
Fund balance, ending		<u><u> \$ 408,448</u></u>	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - GUILFORD MACKINTOSH FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Unrestricted Intergovernmental:			
Guilford County Reimbursement	\$ _____	\$ 105,113	\$ _____
Total	<u>147,500</u>	<u>105,113</u>	<u>(42,387)</u>
Sales and Service:			
Boat rentals		26,795	
Fishing fees		6,793	
Boat launch fees		5,239	
Concession sales		2,367	
Shelter rentals		3,750	
House rentals		<u>3,000</u>	
Total	<u>30,500</u>	<u>47,944</u>	<u>17,444</u>
Total Revenues	<u>178,000</u>	<u>153,057</u>	<u>(24,943)</u>
Expenditures:			
Cultural and Recreation:			
Salaries and employee benefits		128,251	
Operating expenditures		<u>24,806</u>	
Total Expenditures	<u>178,000</u>	<u>153,057</u>	<u>24,943</u>
Revenues Over (Under) Expenditures	<u>\$ _____</u>	-	<u>\$ _____</u>
Fund balance, beginning		-	
Fund balance, ending		<u>\$ _____</u>	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - CONTROLLED SUBSTANCE TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Unrestricted Intergovernmental:			
Controlled substance funds	\$ _____	\$ 13,703	\$ _____
Total Revenues	_____	13,703	13,703
Expenditures:			
Public Safety:			
Salaries and Employee			
Benefits		21,899	
Operating expenditures	_____	45,013	_____
Total Expenditures	82,550	66,912	15,638
Revenues Over (Under)			
Expenditures	\$ (82,550)	\$ (53,209)	<u>\$ 29,341</u>
Fund balance, appropriated	82,550		
Net change in fund balance	<u>\$ _____</u>		
Fund balance, beginning		75,296	
Fund balance, ending		<u>\$ 22,087</u>	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - MPO PLANNING TRANSPORTATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Restricted Intergovernmental:			
State Grant	\$	\$ 251,366	\$
Bike/Pedes Trans Plan Fee		23,176	
Interest		41	
	<u>305,917</u>	<u>274,583</u>	<u>(31,334)</u>
Total Revenues			
Expenditures:			
Economic and Physical Development:			
Operating expenditures		293,724	
Special projects		27,644	
	<u>379,271</u>	<u>321,368</u>	<u>57,903</u>
Total Expenditures			
Revenues Over (Under) Expenditures	<u>(73,354)</u>	<u>(46,785)</u>	<u>26,569</u>
Other Financing Sources:			
Transfers from other funds:			
General Fund	<u>73,354</u>	<u>73,354</u>	<u>-</u>
Total Other Financing Sources	<u>73,354</u>	<u>73,354</u>	<u>-</u>
Revenues and Other Sources (Under) Expenditures	-	26,569	<u>\$ 26,569</u>
Fund balance, appropriated	<u>-</u>		
Net change in fund balance	<u>\$ -</u>		
Fund balance, beginning		<u>388,063</u>	
Fund balance, ending		<u>\$ 414,632</u>	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – MEDICARE PART D GRANT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
From Inception And For The Fiscal Year Ended June 30, 2015

	Project Authorization	Actual		Total To Date	Variance Positive (Negative)
		Reported In Prior Years	Current Year		
Revenues:					
State Grant	\$ 48,100	\$ 48,100	\$ -	\$ 48,100	\$ -
Total Revenues	48,100	48,100	-	48,100	-
Expenditures:					
Operating expenditures	56,198	40,157	3,150	43,307	12,891
Total Expenditures	56,198	40,157	3,150	43,307	12,891
Revenues Over Expenditures	\$ (8,098)	\$ 7,943	(3,150)	\$ 4,793	\$ (12,891)
Fund balance, appropriated	8,098				
Net change in fund balance	\$ -				
Fund balance, beginning			7,943		
Fund Balance, ending			\$ 4,793		

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – EDWARD BRYNE JUSTICE ASSISTANCE GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
From Inception And For The Fiscal Year Ended June 30, 2015

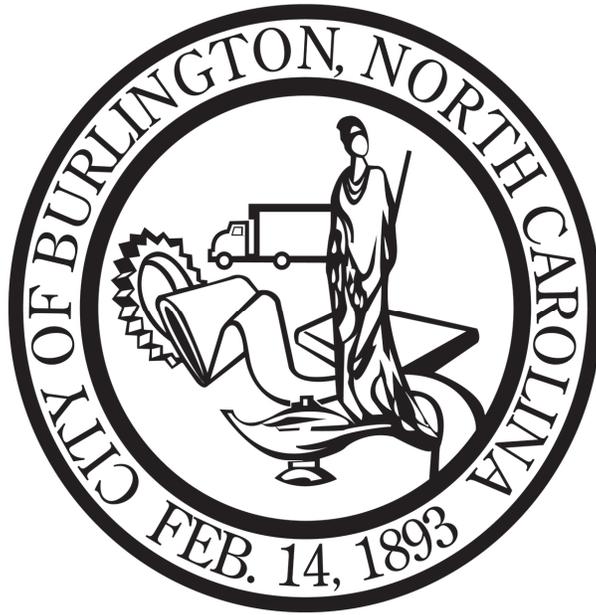
	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Revenues:					
Restricted					
Intergovernmental:					
State Grant	\$ 878,104	\$ 779,686	\$ 65,121	\$ 844,807	\$ (33,297)
Total Revenues	<u>878,104</u>	<u>779,686</u>	<u>65,121</u>	<u>844,807</u>	<u>(33,297)</u>
Expenditures:					
Public Safety:					
Equipment	581,359	489,220	49,726	538,946	42,413
Operating expenditures	<u>355,702</u>	<u>250,307</u>	<u>9,966</u>	<u>260,273</u>	<u>95,429</u>
Total Expenditures	<u>937,061</u>	<u>739,527</u>	<u>59,692</u>	<u>799,219</u>	<u>137,842</u>
Revenues Over (Under) Expenditures	<u>(58,957)</u>	<u>40,159</u>	<u>5,429</u>	<u>45,588</u>	<u>104,545</u>
Other Financing Sources:					
Transfers from other funds:					
Rico Fund	<u>58,957</u>	<u>58,957</u>	<u>-</u>	<u>58,957</u>	<u>-</u>
Total Other Financing Sources	<u>58,957</u>	<u>58,957</u>	<u>-</u>	<u>58,957</u>	<u>-</u>
Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 99,116</u>	<u>5,429</u>	<u>\$ 104,545</u>	<u>\$ 104,545</u>
Fund balance, beginning			<u>99,116</u>		
Fund balance, ending			<u>\$ 104,545</u>		

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – BUREAU OF JUSTICE ASST COMM ORIENT POLICING GRANT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
From Inception And For The Fiscal Year Ended June 30, 2015

	Total Authorized Costs	Actual		Total To Date	Variance Positive (Negative)
		Reported In Prior Years	Current Year		
Revenues:					
Restricted					
Intergovernmental:					
State Grant	\$ 857,763	\$ 723,909	\$ 115,411	\$ 839,320	\$ (18,443)
Total Revenues	<u>857,763</u>	<u>723,909</u>	<u>115,411</u>	<u>839,320</u>	<u>(18,443)</u>
Expenditures:					
Public Safety:					
Salaries and Employee Benefits	<u>973,043</u>	<u>877,400</u>	<u>94,997</u>	<u>972,397</u>	<u>646</u>
Total Expenditures	<u>973,043</u>	<u>877,400</u>	<u>94,997</u>	<u>972,397</u>	<u>646</u>
Revenues Over Expenditures	<u>\$ (115,280)</u>	<u>\$ (153,491)</u>	<u>\$ 20,414</u>	<u>\$ (133,077)</u>	<u>\$ (17,797)</u>
Other Financing Sources:					
Transfers from other funds:					
General Fund	<u>115,280</u>	<u>112,386</u>	<u>2,894</u>	<u>115,280</u>	<u>-</u>
Total Other Financing Sources	<u>115,280</u>	<u>112,386</u>	<u>2,894</u>	<u>115,280</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (41,105)</u>	<u>23,308</u>	<u>\$ (17,797)</u>	<u>\$ (17,797)</u>
Fund balance, beginning			<u>(41,105)</u>		
Fund balance, ending			<u>\$ (17,797)</u>		

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE- PUBLIC TRANSPORTATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Project Authorization	Actual			Variance Positive (Negative)
		Reported In Prior Years	Current Year	Total To Date	
Revenues:					
State Grant	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-	-
Expenditures:					
Operating expenditures	-	-	2,485	2,485	(2,485)
Total Expenditures	-	-	2,485	2,485	(2,485)
Revenues Over Expenditures	\$ -	\$ -	(2,485)	\$ (2,485)	\$ (2,485)
Fund balance, appropriated	-				
Net change in fund balance	\$ -				
Fund balance, beginning			-		
Fund Balance, ending			\$ (2,485)		



CAPITAL PROJECT FUNDS
Combining Schedules
and
Individual Fund Schedules

CITY OF BURLINGTON, NORTH CAROLINA
 ALL CAPITAL PROJECT FUNDS
 COMBINING BALANCE SHEET
 For The Fiscal Year Ended June 30, 2015

	Drainage Improvement Project Fund	ERP System Project Fund	ARRA Piedmont Way Widening and Sidewalk	Fire Station No. 6	Totals
<u>ASSETS</u>					
Cash and cash equivalents	\$ 418,649	\$ 605,969	\$ -	\$ 3,647,461	\$ 4,672,079
Receivables:					
Accounts	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total Assets	<u>\$ 418,649</u>	<u>\$ 605,969</u>	<u>\$ -</u>	<u>\$ 3,647,461</u>	<u>\$ 4,672,079</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 85,981	\$ 85,981
Deferred Revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,981</u>	<u>85,981</u>
Fund Balances					
Committed for Capital Improvements	418,649	605,969	-	3,561,480	4,586,098
Unassigned	-	-	-	-	-
Total Fund Balances	<u>418,649</u>	<u>605,969</u>	<u>-</u>	<u>3,561,480</u>	<u>4,586,098</u>
Total Liabilities and Fund Balances	<u><u>\$ 418,649</u></u>	<u><u>\$ 605,969</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,647,461</u></u>	<u><u>\$ 4,672,079</u></u>

CITY OF BURLINGTON, NORTH CAROLINA
 ALL CAPITAL PROJECT FUNDS
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For The Fiscal Year Ended June 30, 2015

	Drainage Improvement Project Fund	ERP System Project Fund	ARRA Piedmont Way Widening and Sidewalk	Fire Station No. 6	Totals
Revenues:					
Restricted Intergovernmental:	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Grant	-	-	-	-	-
Investment Earnings	52	123	-	272	447
Total Revenues	52	123	-	272	447
Expenditures:					
Capital Improvements	-	3,276	92,767	605,816	701,859
Total Expenditures	-	3,276	-	605,816	701,859
Revenues Over (Under) Expenditures	52	(3,153)	(92,767)	(605,544)	(701,412)
Other Financing Sources:					
Transfers from other funds	25,000	-	87,767	3,894,000	4,006,767
Transfers (to) other funds	-	-	-	-	-
Total Other Financing Sources	25,000	-	87,767	3,894,000	4,006,767
Net change in fund balance	25,052	(3,153)	(5,000)	3,288,456	3,305,355
Fund balance, beginning	393,597	609,122	5,000	273,024	1,280,743
Fund balance, ending	<u>\$ 418,649</u>	<u>\$ 605,969</u>	<u>\$ -</u>	<u>\$ 3,561,480</u>	<u>\$ 4,586,098</u>

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND - DRAINAGE IMPROVEMENT PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 For The Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Investment Earnings	\$ -	\$ 52	\$ 52
Total Revenues	<u>-</u>	<u>52</u>	<u>52</u>
Expenditures:			
Supplies	\$ -	\$ -	\$ -
Construction	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Revenues (Under) Expenditures	\$ (25,000)	52	\$ 25,052
Other Financing Sources:			
Transfer from other fund: Capital Reserve	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	25,052	<u>\$ 25,052</u>
Fund balance, beginning		<u>393,597</u>	
Fund balance, ending		<u>\$ 418,649</u>	

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND – ERP SYSTEM PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2015

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
Revenues:					
Investment earnings	\$ -	\$ 4,193	\$ 123	\$ 4,316	\$ 4,316
Total Revenues	-	4,193	123	4,316	4,316
Expenditures:					
Professional Services	\$ 50,000	\$ 152,875	\$ -	\$ 152,875	\$ (102,875)
Travel – Consultants	-	18,522	-	18,522	(18,522)
Software	1,949,250	903,997	3,276	907,273	1,041,977
Misc–Contractor Fees-1yr	-	-	-	-	-
Equipment - Hardware	107,000	382,362	-	382,362	(275,362)
Other Equipment	201,500	155,540	-	155,540	45,960
Supplies	-	36,025	-	36,025	(36,025)
Total Expenditures	2,307,750	1,649,321	3,276	1,652,597	655,153
Revenues Over (Under) Expenditures	(2,307,750)	(1,645,128)	(3,153)	(1,648,281)	659,469
Other Financing Sources:					
Transfers from other funds:					
Capital Reserve	612,650	612,650	-	612,650	-
Water & Sewer	398,100	398,100	-	398,100	-
General Fund	1,243,500	1,243,500	-	1,243,500	-
Total Other Financing Sources	2,254,250	2,254,250	-	2,254,250	-
Revenues and Other Sources Over (Under) Expenditures	\$ (53,500)	\$ 609,122	(3,153)	\$ 605,969	\$ 659,469
Fund balance, appropriated	53,500				
Net change in fund balance	\$ -				
Fund balance, beginning			609,122		
Fund balance, ending			\$ 605,969		

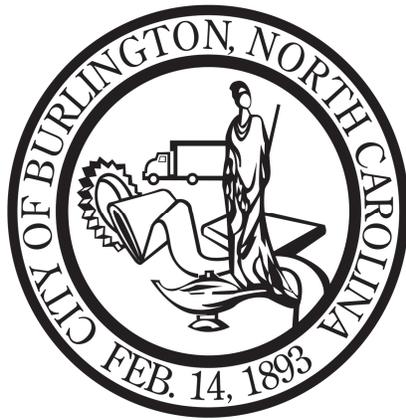
CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND – ARRA PIEDMONT WAY WIDENING AND SIDEWALK PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL

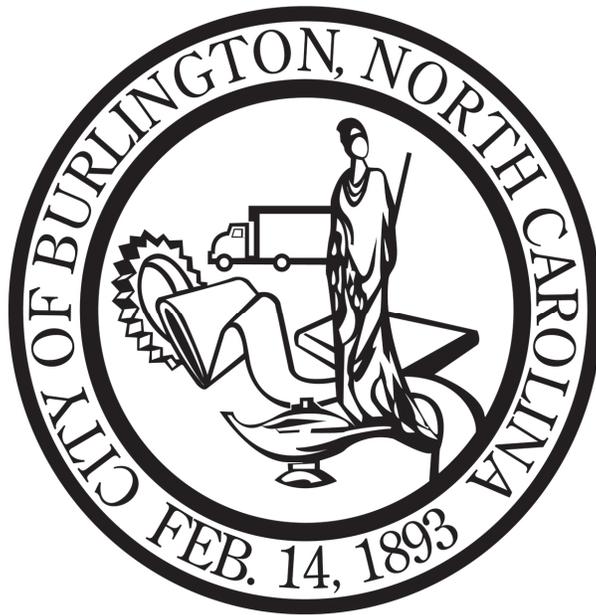
From Inception And For The Fiscal Year Ended June 30, 2015

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
Revenues:					
Restricted Intergovernmental:					
Federal Grant	\$ 50,000	\$ 25,611	\$ -	\$ 25,611	\$ (24,389)
State Grant	<u>96,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(96,088)</u>
Total Revenues	<u>146,088</u>	<u>25,611</u>	<u>-</u>	<u>25,611</u>	<u>(120,477)</u>
Expenditures:					
Capital Improvements	\$ 50,000	\$ 27,517	\$ -	\$ 27,517	\$ 22,483
Broadview Sidewalk Widening	<u>101,088</u>	<u>-</u>	<u>92,767</u>	<u>92,767</u>	<u>8,321</u>
Total Expenditures	<u>151,088</u>	<u>27,517</u>	<u>92,767</u>	<u>120,284</u>	<u>30,804</u>
Revenues Over (Under) Expenditures	<u>(5,000)</u>	<u>(1,906)</u>	<u>(92,767)</u>	<u>(94,673)</u>	<u>(89,673)</u>
Other Financing Sources:					
Transfers from other funds:					
Capital Reserve	87,767	-	87,767	87,767	-
General Fund	<u>6,979</u>	<u>6,906</u>	<u>-</u>	<u>6,906</u>	<u>(73)</u>
Total Other Financing Sources	<u>94,746</u>	<u>6,906</u>	<u>87,767</u>	<u>94,673</u>	<u>(73)</u>
Revenues and Other Sources Over Expenditures	<u>\$ 89,746</u>	<u>\$ 5,000</u>	<u>(5,000)</u>	<u>\$ -</u>	<u>\$ (89,746)</u>
Fund balance, appropriated	<u>(89,746)</u>				
Net change in fund balance	<u>\$ -</u>				
Fund balance, beginning			<u>5,000</u>		
Fund balance, ending			<u>\$ -</u>		

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND – FIRE STATION NO. 6
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2015

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
Revenues:					
Investment Earnings	\$ -	\$ -	\$ 272	\$ 272	\$ 272
Total Revenues	-	-	272	272	272
Expenditures:					
Professional Services	\$ 221,000	\$ -	\$ -	\$ -	\$ 221,000
Buildings	3,517,980	26,976	605,816	632,792	2,885,188
Equipment	360,000	-	-	-	360,000
Contingency	95,020	-	-	-	95,020
Total Expenditures	4,194,000	26,976	605,816	632,792	3,561,208
Revenues Over (Under) Expenditures	(4,194,000)	(26,976)	(605,544)	(632,520)	3,561,480
Other Financing Sources:					
Transfers from other funds:					
Capital Reserve	3,894,000	-	3,894,000	3,894,000	-
General Fund	300,000	300,000	-	300,000	-
Total Other Financing Sources	4,194,000	300,000	3,894,000	4,194,000	-
Revenues and Other Sources Over Expenditures	\$ -	\$ 273,024	3,288,456	\$ 3,561,480	\$ 3,561,480
Fund balance, appropriated	-				
Net change in fund balance	\$ -				
Fund balance, beginning			273,024		
Fund balance, ending			\$ 3,561,480		





ENTERPRISE FUND
Individual Fund Schedules

CITY OF BURLINGTON, NORTH CAROLINA
 STORM WATER FUND
 SCHEDULE OF REVENUES AND EXPENDITURES-
 BUDGET AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
Stormwater Fees	\$	\$ 819,812	\$ 144,812
Permit Fees	<u> </u>	<u> 3,030</u>	<u> 3,030</u>
Total Operating Revenues	<u>\$ 675,000</u>	<u>\$ 822,842</u>	<u>\$ 147,842</u>
Nonoperating Revenues:			
Other fees and charges	<u> </u>	<u> 1,944</u>	<u> 1,944</u>
Total Nonoperating Revenues	<u> </u>	<u> 1,944</u>	<u> 1,944</u>
Total Revenues	<u>675,000</u>	<u>824,786</u>	<u>149,786</u>
Expenditures:			
Salaries and Employee Benefits		242,208	18,390
Operating Expenditures		62,601	39,764
Capital Improvements		51,690	73,310
Engineering/professional fees		38,552	16,448
Equipment	<u> </u>	<u> 268,703</u>	<u> (3)</u>
Total Expenditures	<u>811,663</u>	<u>663,754</u>	<u>147,909</u>
Revenues Over (Under) Expenditures	(136,663)	\$ 161,032	\$ 297,695
Other Financing Sources (Uses)			
Transfer from other funds:			
Mebane St./Grand Oaks	<u>78,000</u>	<u>77,224</u>	<u>(776)</u>
Revenues Over (Under) Expenditures	(58,663)	238,256	296,919
Fund Equity Appropriated	<u>58,663</u>		
	<u>\$ -</u>		
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues Over Expenditures		\$ 238,256	
Reconciling items:			
Depreciation		(25,155)	
Capital Outlay		165,646	
Increase in Vacation Payable		(369)	
Deferred outflows of resources for contributions made to pension plan in current fiscal year		6,012	
Pension expense		<u>(484)</u>	
Net Income		<u>\$ 383,906</u>	

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER FUND
 SCHEDULE OF REVENUES AND EXPENDITURES-
 BUDGET AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
Water sales		9,626,102	
Sewer charges		12,101,225	
Water taps		174,925	
Sewer taps		71,880	
Total Operating Revenues	<u>22,336,054</u>	<u>21,974,132</u>	<u>(361,922)</u>
Other Operating Revenues:			
Interest on investments		255,832	
Interest on assessments		-	
Miscellaneous		526,834	
Water and sewer assessments		-	
Water line assessments		26,480	
Sewer line assessments		14,150	
Water connection fees		4,600	
Sewer connection fees		-	
Other fees and charges		4,746,415	
Total Nonoperating Revenues	<u>5,232,769</u>	<u>5,574,311</u>	<u>341,542</u>
Total Revenues	<u>27,568,823</u>	<u>27,548,443</u>	<u>(20,380)</u>
Expenditures:			
Building and Administrative - Water:			
Salaries and employee benefits		364,378	
Operating expenditures		595,845	
Reimbursement to General Fund		2,200,000	
Total	<u>3,162,930</u>	<u>3,160,223</u>	<u>2,707</u>
Customer Services:			
Salaries and employee benefits		690,250	
Maintenance		233,400	
Other operating expenditures		640,464	
Total	<u>1,577,219</u>	<u>1,564,114</u>	<u>13,105</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER FUND
 SCHEDULE OF REVENUES AND EXPENDITURES-
 BUDGET AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures: (continued)			
Supervision:			
Salaries and employee benefits		279,240	
Maintenance		6,174	
Other operating expenditures		57,472	
Total	<u>384,764</u>	<u>342,886</u>	<u>41,878</u>
Water Line - Maintenance and Repairs:			
Salaries and employee benefits		353,261	
Maintenance		205,831	
Other operating expenditures		49,136	
Total	<u>631,441</u>	<u>608,228</u>	<u>23,213</u>
Sewer Line - Maintenance and Repairs:			
Salaries and employee benefits		278,105	
Maintenance		108,520	
Other operating expenditures		79,039	
Total	<u>551,754</u>	<u>465,664</u>	<u>86,090</u>
Water Line Service and Construction:			
Salaries and employee benefits		142,584	
Maintenance		106,877	
Other operating expenditures		50,833	
Materials - taps		140,155	
Materials - lines		41,298	
Total	<u>546,453</u>	<u>481,747</u>	<u>64,706</u>
Sewer Line Service and Construction:			
Salaries and employee benefits		55,878	
Other operating expenditures		322,623	
Materials - taps		31,288	
Materials - lines		18,424	
Total	<u>484,225</u>	<u>428,213</u>	<u>56,012</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER FUND
 SCHEDULE OF REVENUES AND EXPENDITURES-
 BUDGET AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (<u>Negative</u>)
Expenditures: (continued)			
Supervision:			
Salaries and employee benefits		494,149	
Maintenance		5,528	
Other operating expenditures		65,100	
Total	<u>618,363</u>	<u>564,777</u>	<u>53,586</u>
Water Sources - Protection:			
Utilities		93,984	
Maintenance		71,504	
Other operating expenditures		32,468	
Total	<u>220,900</u>	<u>197,956</u>	<u>22,944</u>
Ed Thomas Water Plant:			
Salaries and employee benefits		419,149	
Chemicals		413,549	
Utilities		173,956	
Maintenance		92,588	
Other operating expenditures		89,713	
Total	<u>1,207,581</u>	<u>1,188,955</u>	<u>18,626</u>
Lake Mackintosh Water Plant:			
Salaries and employee benefits		537,484	
Chemicals		510,615	
Utilities		245,014	
Maintenance		156,575	
Other operating expenditures		36,988	
Total	<u>1,563,878</u>	<u>1,486,676</u>	<u>77,202</u>
South Burlington Waste Treatment Plant:			
Salaries and employee benefits		581,934	
Chemicals		109,258	
Utilities		498,732	
Maintenance		556,463	
Other operating expenditures		37,654	
Total	<u>1,835,806</u>	<u>1,784,041</u>	<u>51,765</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER FUND
 SCHEDULE OF REVENUES AND EXPENDITURES-
 BUDGET AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures: (continued)			
East Burlington Waste			
Treatment Plant:			
Salaries and employee			
benefits		707,477	
Chemicals		125,372	
Utilities		479,979	
Maintenance		555,346	
Other operating expenditures		59,756	
Sludge disposal		198,814	
Total	<u>2,200,721</u>	<u>2,126,744</u>	<u>73,977</u>
Laboratories:			
Salaries and employee			
benefits		354,203	
Maintenance		24,626	
Other operating expenditures		111,482	
Total	<u>543,636</u>	<u>490,311</u>	<u>53,325</u>
Plants Maintenance:			
Salaries and employee			
benefits		607,282	
Maintenance		53,684	
Other operating expenditures		228,834	
Total	<u>949,764</u>	<u>889,800</u>	<u>59,964</u>
Lakes and Marinas:			
Salaries and related			
benefits		278,815	
Utilities		23,820	
Maintenance		22,100	
Other operating expenditures		48,209	
Total	<u>394,988</u>	<u>372,944</u>	<u>22,044</u>
Debt Service:			
Principal water bonds	2,756,739	2,756,739	
Interest - water bonds	2,013,436	2,011,290	
Principal - sewer bonds	-	-	
Interest - sewer bonds	-	-	
Total	<u>4,770,175</u>	<u>4,768,029</u>	<u>2,146</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER FUND
 SCHEDULE OF REVENUES AND EXPENDITURES-
 BUDGET AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (<u>Negative</u>)
Capital Outlay:			
Water lines	1,077,917	939,575	
Miscellaneous water	301,238	288,736	
Sewer lines	7,287,274	6,992,782	
Miscellaneous sewer	493,800	544,137	
Miscellaneous water & sewer	<u>143,700</u>	<u>126,744</u>	
Total Capital Outlay	<u>9,303,929</u>	<u>8,891,974</u>	<u>411,955</u>
Total Expenditures	<u>30,948,527</u>	<u>29,813,282</u>	<u>1,135,245</u>
Revenues Over (Under) Expenditures	<u>(3,379,704)</u>	<u>(2,264,839)</u>	<u>1,114,865</u>
Other Financing Sources (Uses):			
Transfers from other funds:			
Jordan Lake Rules	443,169	443,169	
Stony Creek Lake Cammack	744,849	744,849	
Jordan Lake Rules #2	436,506	436,506	
Transfers to other funds:			
Group Health Insurance Fund	(70,000)	(70,000)	-
Workmen's Compensation Self Insurance Fund	(118,570)	(118,570)	-
Water Capital Reserve	(1,006,891)	(406,891)	600,000
Sewer Capital Reserve	<u>(1,006,890)</u>	<u>(406,890)</u>	<u>600,000</u>
Total Other Financing Sources (Uses)	<u>(577,827)</u>	<u>622,173</u>	<u>1,200,000</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(3,957,531)</u>	<u>\$ (1,642,666)</u>	<u>\$ 2,314,865</u>
Fund Equity Appropriated	<u>3,957,531</u>		
	<u>\$ -</u>		

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER FUND
 SCHEDULE OF REVENUES AND EXPENDITURES-
 BUDGET AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2015

Reconciliation From Budgetary Basis (Modified Accrual)
 to Full Accrual:

Revenues and other sources over expenditures and other uses	\$ (1,642,666)
Reconciling Items:	
Bond principal payments	2,756,739
Amortization of bond issuance costs	(34,177)
Amortization of bond premium	42,061
Capital outlay	8,891,974
Operating transfers (in) out	(810,743)
Increase in inventories	5,797
Decrease in accrued interest payable	(59,369)
Decrease in accrued vacation pay	1,197
Deferred outflows of resources for contributions	
Made to pension plan in current fiscal year	152,509
Pension expense	(12,279)
Increase in accrued OPEB liability	(95,370)
Interest income from water and sewer fund capital projects	194,503
Capital project cost sharing and other reimbursements	895,722
Depreciation	<u>(5,652,923)</u>
Net Income	<u>\$ 4,632,975</u>

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER CAPITAL PROJECTS - WATER CAPITAL RESERVE FUND
 SCHEDULE OF REVENUES AND EXPENDITURES-
 BUDGET AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Investment Earnings	\$ _____	\$ <u>109,582</u>	\$ <u>109,582</u>
Total Revenues	_____	<u>109,582</u>	<u>109,582</u>
Expenditures:			
Capital Outlay	<u>406,891</u>	_____	<u>406,891</u>
Total Expenditures	<u>406,891</u>	_____	<u>406,891</u>
Revenues Over (Under) Expenditures	<u>(406,891)</u>	<u>109,582</u>	<u>516,473</u>
Other Financing Sources (Uses):			
Transfers to other funds:			
HWY 87 Ossipee Water Line	(330,000)	(330,000)	-
Transfers from other funds:			
Water and Sewer Fund	406,891	406,891	-
Mebane St./ Grand Oaks Water	<u>600,000</u>	_____	<u>(600,000)</u>
Total Other Financing Sources (Uses)	<u>676,891</u>	<u>76,891</u>	<u>(600,000)</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	270,000	186,473	<u>\$ (83,527)</u>
Fund balance, appropriated	<u>(270,000)</u>		
Net change in fund balance	<u>\$ _____</u>		
Fund Balance, beginning		<u>10,275,223</u>	
Fund Balance, ending		<u>\$ 10,461,696</u>	

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER CAPITAL PROJECTS - SEWER CAPITAL RESERVE FUND
 SCHEDULE OF REVENUES AND EXPENDITURES-
 BUDGET AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Investment Earnings	\$ -	\$ 84,693	\$ 84,693
Total Revenues	<u>-</u>	<u>84,693</u>	<u>84,693</u>
Expenditures:			
Capital Outlay	<u>406,890</u>	<u>-</u>	<u>406,890</u>
Total Expenditures	<u>406,890</u>	<u>-</u>	<u>406,890</u>
Revenues Over (Under) Expenditures	<u>(406,890)</u>	<u>84,693</u>	<u>491,583</u>
Other Financing Sources (Uses):			
Transfers from other funds:			
White Kennel Road	837,942	237,941	(600,001)
Water and Sewer Fund	406,890	406,890	-
Transfers to other funds:			
W Kennel Road W&S line	<u>(39,479)</u>	<u>(39,479)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,205,353</u>	<u>605,352</u>	<u>(600,001)</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	798,463	\$ 690,045	<u>\$ (108,418)</u>
Fund balance appropriated	<u>(798,463)</u>		
Net change in fund balance	<u>\$ -</u>		
Fund Balance, beginning		<u>8,361,872</u>	
Fund Balance, ending		<u>\$ 9,051,917</u>	

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER CAPITAL PROJECTS - TANK REMOVAL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
BUDGET AND ACTUAL (NON-GAAP)
From Inception And For The Fiscal Year Ended June 30, 2015

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
Revenues:					
Restricted					
Intergovernmental:					
UST					
reimbursement	\$ 335,000	\$ 502,754	\$ -	\$ 502,754	\$ 167,754
Miscellaneous					
Investment earnings	-	2,767	42	2,809	2,809
Sales tax refunds	-	520	-	520	520
Total Revenues	<u>335,000</u>	<u>506,041</u>	<u>42</u>	<u>506,083</u>	<u>171,083</u>
Expenditures:					
Tank Removal	835,000	866,696	-	866,696	(31,696)
Utilities	-	9,521	-	9,521	(9,521)
Remediation	<u>120,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,600</u>
Total Expenditures	<u>955,600</u>	<u>876,217</u>	<u>-</u>	<u>876,217</u>	<u>79,383</u>
Revenues Over (Under) Expenditures	<u>(620,600)</u>	<u>(370,176)</u>	<u>42</u>	<u>(370,134)</u>	<u>250,466</u>
Other Financing Sources:					
Transfers from other funds:					
Water Capital Reserve Fund	500,000	500,000	-	500,000	-
Capital Reserve Fund	<u>120,600</u>	<u>120,600</u>	<u>-</u>	<u>120,600</u>	<u>-</u>
Total Other Financing Sources	<u>620,600</u>	<u>620,600</u>	<u>-</u>	<u>620,600</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 250,424</u>	<u>\$ 42</u>	<u>\$ 250,466</u>	<u>\$ 250,466</u>

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER CAPITAL PROJECTS – STONEY CREEK AND LAKE CAMMACK DAMS PROJECT
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 From Inception And For The Fiscal Year Ended June 30, 2015

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
Revenues:					
Investment earnings	\$ -	\$ 92,239	\$ -	\$ 92,239	\$ 92,239
Total Revenues	-	92,239	-	92,239	92,239
Expenditures:					
Professional Services - Stoney Creek	1,049,000	769,223	-	769,223	279,777
Professional Services - Lake Cammack	695,000	626,799	-	626,799	68,201
Construction-Lake Cammack	1,161,408	1,122,137	-	1,122,137	39,271
Issuance Costs- Lake Cammack	40,336	30,217	-	30,217	10,119
Contingency-Lake Cammack	92,820	-	-	-	92,820
Construction-Stoney Creek	3,202,614	3,156,673	-	3,156,673	45,941
Issuance Costs- Stoney Creek	92,377	13,194	-	13,194	79,183
Contingency-Stoney Creek	212,582	-	-	-	212,582
Total Expenditures	6,546,137	5,718,243	-	5,718,243	827,894
Revenues Over (Under) Expenditures	(6,546,137)	(5,626,004)	-	(5,626,004)	920,133
Other Financing Sources:					
Bond proceeds	6,546,137	6,577,249	-	6,577,249	31,112
Transfers to other funds:					
Water and Sewer Fund	(1,163,849)	(625,396)	(744,849)	(1,370,245)	(206,396)
Water Capital Reserve Fund	(419,000)	(419,000)	-	(419,000)	-
Transfers from other funds:					
Water and Sewer Fund	419,000	419,000	-	419,000	-
Water Capital Reserve Fund	419,000	419,000	-	419,000	-
Total Other Financing Sources	5,801,288	6,370,853	(744,849)	5,626,004	(175,284)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (744,849)	\$ 744,849	\$ (744,849)	\$ -	\$ 744,849
Fund balance, appropriated	744,849				
Net change in fund balance	\$ -				
Fund balance, beginning			744,849		
Fund balance, ending			\$ -		

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER CAPITAL PROJECTS – MEBANE ST./GRAND OAKS WATER LINE PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
From Inception And For The Fiscal Year Ended June 30, 2015

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
Revenues:					
Interest	\$ -	\$ 13,884	\$ 76	\$ 13,960	\$ 13,960
Total Revenues	-	13,884	76	13,960	13,960
Expenditures:					
Construction	1,507,425	988,035	456,126	1,444,161	63,264
Total Expenditures	1,507,425	988,035	456,126	1,444,161	63,264
Revenues Over (Under)					
Expenditures	(1,507,425)	(974,151)	(456,050)	(1,430,201)	77,224
Other Financing Sources:					
Transfers from other funds:					
Water and Sewer Fund	1,257,425	1,257,425	-	1,257,425	-
Storm Water Fund	250,000	250,000	-	250,000	-
Transfers to other funds:					
Storm Water	(78,000)	-	(77,224)	(77,224)	776
Total Other Financing Sources	1,429,425	1,507,425	(77,224)	1,430,201	776
Revenues and Other Sources Over (Under)					
Expenditures	\$ (78,000)	\$ 533,274	\$ (533,274)	\$ -	\$ 78,000
Fund balance, appropriated	78,000				
Net change in fund balance	\$ -				
Fund balance, beginning			533,274		
Fund balance, ending			\$ -		

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER CAPITAL PROJECTS – JORDAN LAKE RULES PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
From Inception And For The Fiscal Year Ended June 30, 2015

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
Revenues:					
Investment Earnings	\$ -	\$ 33,876	\$ 117	\$ 33,993	\$ 33,993
Total Revenues	-	33,876	117	33,993	33,993
Expenditures:					
Engineering fees	\$ 1,579,000	1,614,063	-	1,614,063	(35,063)
Construction costs	5,708,000	5,534,952	-	5,534,952	173,048
Contingency	230,250	-	-	-	230,250
Issuance costs	148,057	140,558	-	140,558	7,499
Total Expenditures	7,665,307	7,289,573	-	7,289,573	375,734
Revenues Over (Under) Expenditures	(7,665,307)	(7,255,697)	117	(7,255,580)	409,727
Other Financing Sources:					
Bond proceeds	7,293,307	7,326,749	-	7,326,749	33,442
Transfers from other funds:					
Water and Sewer Fund	206,100	206,100	-	206,100	-
Water Capital Reserve Fund	125,000	125,000	-	125,000	-
Sewer Capital Reserve Fund	607,000	607,000	-	607,000	-
Transfers to other funds:					
Water and Sewer Fund	(649,270)	(206,100)	(443,169)	(649,269)	1
Water Capital Reserve Fund	(125,000)	(125,000)	-	(125,000)	-
Sewer Capital Reserve Fund	(125,000)	(125,000)	-	(125,000)	-
Jordan Lake Rules Second Phase Project Fund	(110,000)	(110,000)	-	(110,000)	-
Total Other Financing Sources	7,222,137	7,698,749	(443,169)	7,255,580	33,444
Revenues and Other Sources Over (Under) Expenditures	\$ (443,170)	\$ 443,052	\$ (443,052)	\$ -	\$ 443,170
Fund balance, appropriated	443,170				
Net change in fund balance	\$ -				
Fund balance, beginning			443,052		
Fund balance, ending			\$ -		

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER CAPITAL PROJECTS –
JORDAN LAKE RULES SECOND PHASE PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
From Inception And For The Fiscal Year Ended June 30, 2015

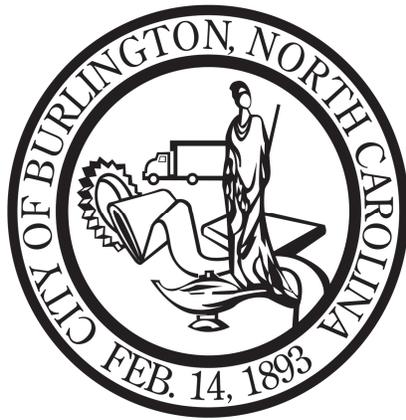
	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
Revenues:					
Investment Earnings	\$ -	\$ 17,395	\$ 109	\$ 17,504	\$ 17,504
Total Revenues	-	17,395	109	17,504	17,504
Expenditures:					
Professional services - S. Burlington WWTP	1,118,000	1,170,499	20,367	1,190,866	(72,866)
Buildings – S. Burlington WWTP	1,400,000	-	-	-	1,400,000
Construction – S. Burlington WWTP	8,598,000	9,297,490	332,818	9,630,308	(1,032,308)
Issuance Cost – S. Burlington WWTP	186,279	118,958	1,650	120,608	65,671
Contingency – S. Burlington WWTP	800	-	-	-	800
Professional services- E. Burlington WWTP	1,195,000	1,373,680	31,511	1,405,191	(210,191)
Construction - E. Burlington WWTP	6,872,000	6,558,536	910,163	7,468,699	(596,699)
Issuance Cost – E. Burlington WWTP	186,279	118,958	1,650	120,608	65,671
Contingency – E. Burlington WWTP	350	-	-	-	350
Force Main Replacement- E. Burlington WWTP	893,000	-	-	-	893,000
Total Expenditures	20,449,708	18,638,121	1,298,159	19,936,280	513,428
Revenues Over (Under) Expenditures	(20,449,708)	(18,620,726)	(1,298,050)	(19,918,775)	530,932
Other Financing Sources:					
Bond proceeds	18,939,708	18,845,282	-	18,845,282	(94,426)
Transfer to other funds: Water and Sewer Fund	(436,507)	-	(436,506)	(436,506)	1
Transfer from other funds: Sewer Capital Reserve Fund	1,510,000	1,510,000	-	1,510,000	-
Total Other Financing Sources	20,013,201	20,355,282	(436,506)	19,918,776	(94,425)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(436,507)	\$ 1,734,556	(1,734,556)	\$ -	\$ 436,507
Fund balance , appropriated	436,507				
Net change in fund balance	\$ -				
Fund balance, beginning			1,734,556		
Fund balance, ending			\$ -		

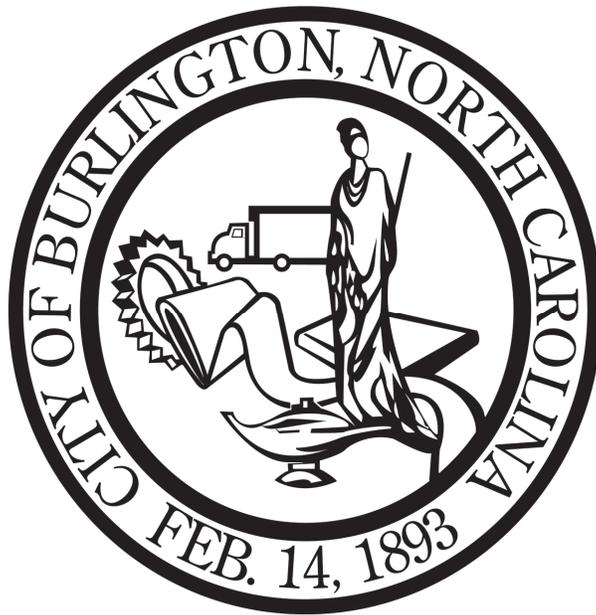
CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER CAPITAL PROJECTS –
 WHITES KENNEL ROAD WATER & SEWER LINES – GOLDEN LEAF PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 From Inception And For The Fiscal Year Ended June 30, 2015

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
Revenues:					
Restricted					
Intergovernmental:					
Golden Leaf Grant	\$ 695,000	\$ 679,215	\$ -	\$ 679,215	\$ (15,785)
Total Revenues	<u>695,000</u>	<u>679,215</u>	<u>-</u>	<u>679,215</u>	<u>(15,785)</u>
Expenditures:					
Construction-Water	187,000	-	-	-	187,000
Construction-Sewer	<u>601,479</u>	<u>534,753</u>	<u>-</u>	<u>534,753</u>	<u>66,726</u>
Total Expenditures	<u>788,479</u>	<u>534,753</u>	<u>-</u>	<u>534,753</u>	<u>253,726</u>
Revenues Over (Under) Expenditures	<u>(93,479)</u>	<u>144,462</u>	<u>-</u>	<u>144,462</u>	<u>237,941</u>
Other Financing Sources:					
Transfers to other funds:					
Sewer Capital Reserve	(237,942)		(237,941)	(237,941)	1
Transfers from other funds:					
Sewer Capital Reserve	<u>93,479</u>	<u>54,000</u>	<u>39,479</u>	<u>93,479</u>	<u>-</u>
Total Other Financing Sources	<u>(144,463)</u>	<u>54,000</u>	<u>(198,462)</u>	<u>(144,462)</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures And Other Uses	<u>\$ (237,942)</u>	<u>\$ 198,462</u>	<u>\$ (198,462)</u>	<u>\$ -</u>	<u>\$ 237,942</u>
Fund balance, appropriated	<u>237,942</u>				
Net change in fund balance	<u>\$ -</u>				
Fund balance, beginning			<u>198,462</u>		
Fund balance, ending			<u>\$ -</u>		

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER CAPITAL PROJECTS – HWY 87 OSSIPPEE WATER LINE PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
From Inception And For The Fiscal Year Ended June 30, 2015

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
Revenues:					
Restricted					
Intergovernmental:					
Water Supply Grant	\$ 1,760,000	\$ -	\$ -	\$ -	\$ (1,760,000)
Ossippee Reimbursement	110,000	-	-	-	(110,000)
Total Revenues	1,870,000	-	-	-	(1,870,000)
Expenditures:					
Closing Cost	50,000	-	-	-	50,000
Contingency	2,045,000	-	278,186	278,186	1,766,814
Construction	105,000	-	-	-	105,000
Total Expenditures	2,200,000	-	278,186	278,186	1,921,814
Revenues Over (Under) Expenditures	(330,000)	-	(278,186)	(278,186)	51,814
Other Financing Sources:					
Transfers from other funds:					
Water and Sewer Fund	330,000	-	330,000	330,000	-
Total Other Financing Sources	330,000	-	330,000	330,000	-
Revenues and Other Sources Over (Under) Expenditures And Other Uses	\$ -	\$ -	\$ 51,814	\$ 51,814	\$ 51,814





INTERNAL SERVICE FUND
Combining Schedules
And Individual Fund Schedules

CITY OF BURLINGTON, NORTH CAROLINA
ALL INTERNAL SERVICE FUNDS
STATEMENT OF NET ASSETS
June 30, 2015

	<u>Dental Self Insurance Fund</u>	<u>Workers Compensation Self Insurance Fund</u>	<u>Group Health Benefits Self Insurance Fund</u>	<u>Total Internal Service Fund</u>
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 1,557,739	\$ 420,336	\$ 4,283,442	\$ 6,261,517
Accounts receivable	518	281	8,784	9,584
Due from other funds	14	-	140	154
Prepaid Insurance	-	-	-	-
Total Assets	<u>\$ 1,558,271</u>	<u>\$ 420,617</u>	<u>\$ 4,292,366</u>	<u>\$ 6,271,255</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES:				
Accounts payable and accrued liabilities	\$ 103,780	\$ 128,199	\$ 559,404	\$ 791,384
Total Current Liabilities	<u>103,780</u>	<u>128,199</u>	<u>559,404</u>	<u>791,384</u>
NET ASSETS:				
Unrestricted	<u>1,454,491</u>	<u>292,418</u>	<u>3,732,962</u>	<u>5,479,871</u>
Total Net Assets	<u>\$ 1,454,491</u>	<u>\$ 292,418</u>	<u>\$ 3,732,962</u>	<u>\$ 5,479,871</u>

CITY OF BURLINGTON, NORTH CAROLINA
 ALL INTERNAL SERVICE FUNDS
 COMBINING SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
 For The Fiscal Year Ended June 30, 2015

	<u>Dental Self Insurance Fund</u>	<u>Workers Compensation Self Insurance Fund</u>	<u>Group Health Benefits Self Insurance Fund</u>	<u>Total Internal Service Fund</u>
Operating Revenues:				
Charges for services	\$ 508,471	\$ -	\$ 4,675,028	\$ 5,183,499
Total Operating Revenues	<u>508,471</u>	<u>-</u>	<u>4,675,028</u>	<u>5,183,499</u>
Operating Expenses:				
Salaries and employee benefits	-	266,163	155,967	422,130
Operating expenses	28,178	25,209	27,191	80,578
Claims paid, excess loss coverage and claims administration	<u>572,372</u>	<u>676,101</u>	<u>6,727,403</u>	<u>7,975,876</u>
Total Operating Expenses	<u>600,550</u>	<u>967,473</u>	<u>6,910,561</u>	<u>8,478,584</u>
Operating Income (Loss)	<u>(92,079)</u>	<u>(967,473)</u>	<u>(2,235,533)</u>	<u>(3,295,085)</u>
Non-Operating Revenues:				
Interest earned on investments	<u>3,653</u>	<u>2,064</u>	<u>30,968</u>	<u>36,685</u>
Total Non-Operating Revenues	<u>3,653</u>	<u>2,064</u>	<u>30,968</u>	<u>36,685</u>
Income (Loss) before transfers	(88,426)	(965,409)	(2,204,565)	(3,258,400)
Transfers from other funds	<u>0</u>	<u>396,424</u>	<u>105,002</u>	<u>501,426</u>
Change in net assets	(88,426)	(568,985)	(2,099,563)	(2,756,974)
Total net assets – beginning	<u>1,542,917</u>	<u>861,403</u>	<u>5,832,525</u>	<u>8,236,845</u>
Net Assets, End of Year	<u>\$ 1,454,491</u>	<u>\$ 292,418</u>	<u>\$ 3,732,962</u>	<u>\$ 5,479,871</u>

CITY OF BURLINGTON, NORTH CAROLINA
ALL INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For The Fiscal Year Ended June 30, 2015

	<u>Dental Self Insurance Fund</u>	<u>Workers Compensation Self Insurance Fund</u>	<u>Group Health Benefits Self Insurance Fund</u>	<u>Total Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 508,488	\$ (143)	\$ 4,671,359	\$ 5,179,704
Cash paid for goods and services	(600,436)	(690,484)	(6,702,339)	(7,993,259)
Cash paid to employees	<u>-</u>	<u>(266,163)</u>	<u>(158,543)</u>	<u>(424,706)</u>
Net cash provided by operating activities	<u>(91,948)</u>	<u>(956,790)</u>	<u>(2,189,523)</u>	<u>(3,238,261)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
(Increase) Decrease in due from other funds	<u>(2)</u>	<u>-</u>	<u>(20)</u>	<u>(22)</u>
Net cash provided (used) by noncapital financing activities	<u>(2)</u>	<u>-</u>	<u>(20)</u>	<u>(22)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Transfer from other funds:				
General Fund	-	277,854	35,002	312,856
Water Resources	<u>-</u>	<u>118,570</u>	<u>70,000</u>	<u>188,570</u>
Net cash provided by capital and related financing activities	<u>-</u>	<u>396,424</u>	<u>105,002</u>	<u>501,426</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	<u>3,653</u>	<u>2,063</u>	<u>30,968</u>	<u>36,684</u>
Net cash provided by investing activities	<u>3,653</u>	<u>2,063</u>	<u>30,968</u>	<u>36,684</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(88,297)	(558,303)	(2,053,573)	(2,700,173)
Balances – Beginning of Year	<u>1,646,036</u>	<u>978,639</u>	<u>6,337,015</u>	<u>8,961,690</u>
Balances – End of Year	<u>\$ 1,557,739</u>	<u>\$ 420,336</u>	<u>\$ 4,283,442</u>	<u>\$ 6,261,517</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 ALL INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 For The Fiscal Year Ended June 30, 2015

	<u>Dental Self Insurance Fund</u>	<u>Workers Compensation Self Insurance Fund</u>	<u>Group Health Benefits Self Insurance Fund</u>	<u>Total Internal Service Fund</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating income (loss)	\$ (92,079)	\$ (967,473)	\$ (2,235,533)	\$ (3,295,085)
Adjustments to reconcile operating income to net cash provided by operating activities:				
(Increase) Decrease in accounts receivable	16	(143)	(3,669)	(3,796)
(Increase) Decrease in prepaid insurance	-	-	-	-
Increase (Decrease) in accounts payable	<u>115</u>	<u>10,826</u>	<u>49,679</u>	<u>60,620</u>
Net cash provided by operating activities	<u>\$ (91,948)</u>	<u>\$ (956,790)</u>	<u>\$ (2,189,523)</u>	<u>\$ (3,238,261)</u>

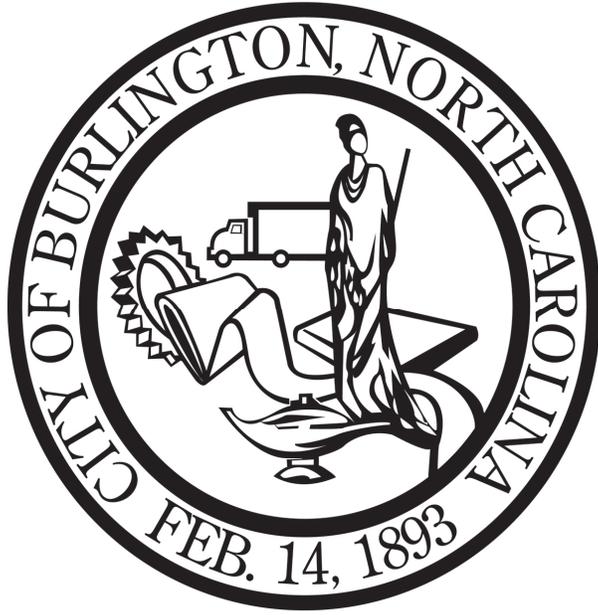
CITY OF BURLINGTON, NORTH CAROLINA
DENTAL SELF INSURANCE FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
FINANCIAL PLAN AND ACTUAL (NON-GAAP)
For The Fiscal Year Ended June 30, 2015

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating Revenues:			
City of Burlington	\$ -	\$ 400,496	\$ -
Employee Premium	<u>-</u>	<u>107,975</u>	<u>-</u>
Total Operating Revenues	399,158	508,471	109,313
Non-Operating Revenues:			
Investment Earnings	<u>-</u>	<u>3,653</u>	<u>3,653</u>
Total Revenues	<u>399,158</u>	<u>512,124</u>	<u>112,966</u>
Expenditures:			
City of Burlington Claims	-	572,373	-
Operating expenditures	<u>-</u>	<u>33,007</u>	<u>-</u>
Total Expenditures	<u>594,000</u>	<u>605,380</u>	<u>(11,380)</u>
Revenues Over Expenditures	\$ (194,842)	<u>\$ (93,256)</u>	<u>\$ 101,586</u>
Fund balance appropriated	<u>194,842</u>		
Net change in fund balance	<u>\$ -</u>		
Reconciliation From Financial Plan Basis (Modified Accrual) to Full Accrual Basis:			
Revenues Over Expenditures		\$ (93,256)	
Reconciling Items:			
Increase in allowance for unfiled claims		<u>4,830</u>	
Net Income		<u>\$ (88,426)</u>	

CITY OF BURLINGTON, NORTH CAROLINA
 WORKERS COMPENSATION SELF INSURANCE FUND
 SCHEDULE OF REVENUES AND EXPENDITURES-
 FINANCIAL PLAN AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2015

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating Revenues:			
City of Burlington	\$ -	\$ -	\$ -
Total Operating Revenues	-	-	-
Non-Operating Revenues:			
Investment Earnings	18,000	2,063	(15,937)
Total Non-Operating Revenues	18,000	2,063	(15,937)
Total Revenues	18,000	2,063	(15,937)
Expenditures:			
Salaries and employee benefits		266,163	
Operating expenses		25,208	
Contractual services		155,936	
Workers compensation		520,165	
Safety training		0	
Total Expenditures	1,106,288	967,472	138,816
Revenues Over (Under) Expenditures	(1,088,288)	(965,409)	122,879
Other Financing Sources			
Transfers from other funds:			
General Fund	277,854	277,854	-
Water and Sewer Fund	118,570	118,570	-
Total Other Financing Sources	396,424	396,424	-
Revenues and Other Sources (Under) Expenditures	\$ (691,864)	\$ (568,985)	\$ 122,879
Fund balance appropriated	691,864		
Net change in fund balance	-		
Reconciliation From Financial Plan (Modified Accrual) to Full Accrual Basis:			
Revenues Over Expenditures		\$ (568,985)	
Reconciling Items:			
Increase in allowance for unfiled claims		-	
Net Income		\$ (568,985)	





OTHER SCHEDULES

OTHER SCHEDULES

This section includes additional information on property taxes and interfund transfers.

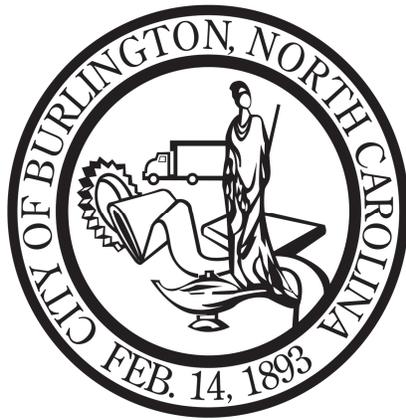
- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy

CITY OF BURLINGTON, NORTH CAROLINA
 SCHEDULE OF AD VALOREM TAXES RECEIVABLE
 June 30, 2015

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2014</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2015</u>
2014-2015	\$	\$ 27,174,737	\$ 26,811,832	\$ 362,905
2013-2014	487,629		263,798	223,831
2012-2013	344,023	-	186,187	157,836
2011-2012	182,526	-	65,611	116,915
2010-2011	129,289	-	10,960	118,329
2009-2010	85,812	-	5,162	80,650
2008-2009	83,302	1,011	-	84,313
2007-2008	78,737	356	-	79,093
2006-2007	79,083	-	3,870	75,213
2005-2006	87,843	-	6,147	81,696
2004-2005	64,998	-	24,495	40,503
1965-2003	<u>54,066</u>	<u>-</u>	<u>2,548</u>	<u>51,518</u>
	<u>\$ 1,677,308</u>	<u>\$ 27,176,104</u>	<u>\$ 27,380,610</u>	<u>\$ 1,472,802</u>
Less: Allowance for uncollectible accounts:				
General Fund				(534,403)
Special Revenue Fund				<u>(45,918)</u>
Ad Valorem Taxes Receivable - Net				<u>\$ 892,481</u>
<u>Reconciliation with Revenues:</u>				
Taxes - ad valorem - General Fund				\$ 26,745,700
Taxes - ad valorem - Special Revenue Fund				<u>128,692</u>
Total				26,874,392
Reconciling Items:				
Discounts allowed				75,679
Interest collected				(129,771)
Taxes written off				<u>560,310</u>
Total Collections and Credits				<u>\$ 27,380,610</u>

CITY OF BURLINGTON, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
CITY WIDE LEVY
For The Fiscal Year Ended June 30, 2015

	<u>Total Levy</u>			Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
	<u>City-Wide</u>		<u>Total Levy</u>		
	<u>Property Valuation</u>	<u>Rate per \$100</u>			
City-Wide Levy:					
Original Levy:					
Property taxed at current year's rate	\$ 4,559,862,931	.58	\$ 26,447,205	\$ 24,256,749	\$ 2,190,456
Penalties	-		14,589	14,589	-
Total	<u>4,559,862,931</u>		<u>26,461,794</u>	<u>24,271,338</u>	<u>2,190,456</u>
Discoveries:					
Current year taxes	99,860,862	.58	579,193	579,193	-
Prior year taxes	-		-	-	-
Penalties	-		-	-	-
Total	<u>99,860,862</u>		<u>579,193</u>	<u>579,193</u>	<u>-</u>
Abatements and Adjustments:					
Advertising, interest and adjustments	-		(831)	(831)	-
Abatements	(23,652,586)	.58	(137,185)	(129,885)	(7,300)
Total	<u>(23,652,586)</u>		<u>(138,016)</u>	<u>(130,716)</u>	<u>(7,300)</u>
Total Property Valuation	<u>\$ 4,636,071,207</u>				
Net City Wide levy			26,902,971	24,719,815	2,183,156
Uncollected Taxes at June 30, 2014			(361,958)	(359,934)	(2,024)
Current Year's Taxes Collected			<u>\$ 26,541,013</u>	<u>\$ 24,359,881</u>	<u>\$ 2,181,132</u>
Current City-Wide Levy Collection Percentage			<u>98.65%</u>	<u>98.54%</u>	<u>99.90%</u>
Downtown Special Tax District:					
Original Levy:					
Property taxed at current year's rate	\$ 80,656,875	.16	\$ 129,051	\$ 127,786	\$ 1,265
Penalties	-		17	17	-
Discoveries:					
Current year taxes	-		-	-	-
Abatements and Adjustments:					
Abatements	-		-	-	-
Total Property Valuation	<u>\$ 80,656,875</u>				
Net Downtown Special Tax District Levy			129,068	127,803	1,265
Uncollected Taxes at June 30, 2014			(947)	(947)	-
Current Year's Taxes Collected			<u>\$ 128,121</u>	<u>\$ 126,856</u>	<u>\$ 1,265</u>
Current Downtown Special Tax District Levy Collection Percentage			<u>99.26%</u>	<u>99.25%</u>	<u>100.00%</u>



Statistical Section

This part of the City of Burlington's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	135-142
Revenue Capacity These schedules contain information to help the reader assess the city's most significant revenue source, the property tax.	143-146
Debt Capacity These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	147-151
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	152-153
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	154-156

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

Schedule 1
City of Burlington, North Carolina
Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental activities				
Net investment in capital assets	\$ 53,722,717	\$ 49,762,940	\$ 48,383,850	\$ 44,355,341
Restricted	14,069,943	19,635,641	18,392,387	17,287,399
Unrestricted	54,267,735	49,905,470	49,958,695	54,423,395
Total governmental activities net assets	<u>\$ 122,060,395</u>	<u>\$ 119,304,051</u>	<u>\$ 116,734,932</u>	<u>\$ 116,066,135</u>
Business-type activities				
Net investment in capital assets	\$ 114,539,725	\$ 107,207,635	\$ 105,523,250	\$ 85,748,070
Restricted	19,469,499	21,186,874	17,544,176	35,544,241
Unrestricted	35,033,434	36,428,343	34,109,701	33,404,248
Total business-type activities net assets	<u>\$ 169,042,658</u>	<u>\$ 164,822,852</u>	<u>\$ 157,177,127</u>	<u>\$ 154,696,559</u>
Primary government				
Net investment in capital assets	\$ 168,262,442	\$ 156,970,575	\$ 153,907,100	\$ 130,103,411
Restricted	33,539,442	40,822,515	35,936,563	52,831,640
Unrestricted	89,301,169	86,333,813	84,068,396	87,827,643
Total primary government net assets	<u>\$ 291,103,053</u>	<u>\$ 284,126,903</u>	<u>\$ 273,912,059</u>	<u>\$ 270,762,694</u>

Fiscal Year					
<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 42,802,718	\$ 39,828,855	\$ 41,007,895	\$ 38,362,340	\$ 36,184,194	\$ 35,180,314
11,376,455	30,330,078	26,384,988	23,458,009	25,085,657	17,798,695
60,773,388	43,528,565	41,653,949	40,317,116	31,377,433	28,535,344
<u>\$ 114,952,561</u>	<u>\$ 113,687,498</u>	<u>\$ 109,046,832</u>	<u>\$ 102,137,465</u>	<u>\$ 92,647,284</u>	<u>\$ 81,514,353</u>
\$ 97,111,037	\$ 109,690,950	\$ 109,331,715	\$ 107,080,492	\$ 106,829,594	\$ 102,785,481
24,282,332	13,188,880	12,414,038	10,161,377	5,917,865	4,682,220
31,292,633	28,245,081	23,327,332	22,666,013	18,172,728	17,554,426
<u>\$ 152,686,002</u>	<u>\$ 151,124,911</u>	<u>\$ 145,073,085</u>	<u>\$ 139,907,882</u>	<u>\$ 130,920,187</u>	<u>\$ 125,022,127</u>
\$ 139,913,755	\$ 149,519,805	\$ 150,339,610	\$ 145,442,832	\$ 143,013,788	\$ 137,965,795
35,658,787	43,518,958	38,799,026	33,619,386	31,003,522	22,480,915
92,066,021	71,773,646	64,981,281	62,983,129	49,550,161	46,089,770
<u>\$ 267,638,563</u>	<u>\$ 264,812,409</u>	<u>\$ 254,119,917</u>	<u>\$ 242,045,347</u>	<u>\$ 223,567,471</u>	<u>\$ 206,536,480</u>

Schedule 2
City of Burlington, North Carolina
Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental activities:										
General government	\$ 8,483,588	\$ 9,149,871	\$ 9,309,902	\$ 8,586,996	\$ 9,782,111	\$ 9,215,323	\$ 8,490,313	\$ 7,635,312	\$ 7,733,445	\$ 6,836,967
Public safety	25,860,337	22,743,048	23,113,039	20,992,476	20,077,388	19,012,031	18,063,290	17,759,301	16,297,845	15,740,847
Public works	8,334,201	11,131,728	8,760,799	9,857,328	8,931,972	7,511,084	8,513,949	9,064,789	6,985,391	6,931,658
Economic and physical development	1,880,541	1,474,928	1,368,876	1,574,410	1,367,129	1,510,984	933,593	820,213	723,084	1,019,551
Cultural and recreation	7,512,715	6,957,606	6,993,217	6,675,802	7,113,741	6,566,740	6,311,568	6,074,962	6,055,589	6,738,048
Interest on long-term debt	331,290	363,756	1,378,315	766,290	644,306	786,832	742,906	817,062	830,820	758,857
Total governmental activities expenses	52,402,672	51,820,937	50,924,148	48,453,302	47,916,647	44,602,994	43,055,619	42,171,639	38,626,174	38,025,928
Business-type activities:										
Storm water	518,104	377,647	605,815	305,939	310,474	364,391	310,215	167,149	180,423	97,631
Water and sewer	23,671,729	22,143,804	22,903,847	23,462,426	21,863,677	18,713,655	19,700,880	20,085,892	20,170,270	18,751,389
Total business-type activities expenses	24,189,833	22,521,451	23,509,662	23,768,365	22,174,151	19,078,046	20,011,095	20,253,041	20,350,693	18,849,020
Total primary government expenses	\$ 76,592,505	\$ 74,342,388	\$ 74,433,810	\$ 72,221,667	\$ 70,090,798	\$ 63,681,040	\$ 63,066,714	\$ 62,424,680	\$ 58,976,867	\$ 56,874,948
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	\$ 2,942,784	\$ 2,979,252	\$ 2,688,109	\$ 2,661,120	\$ 2,507,577	\$ 2,281,618	\$ 2,498,973	\$ 2,799,530	\$ 3,244,533	\$ 2,670,060
Public safety	354,258	412,298	367,587	261,105	306,973	297,876	165,633	303,219	256,793	257,795
Public works	1,298,660	1,293,660	1,231,921	1,289,117	1,290,419	1,505,613	1,308,766	1,221,897	1,025,645	1,014,710
Economic and physical development	1,435,313				9,777					
Cultural and recreation	3,036,516	2,853,767	2,931,014	2,710,135	2,692,531	2,904,183	3,060,166	3,198,844	2,903,431	2,818,126
Operating grants and contributions	7,184,961	5,555,035	3,691,258	3,776,954	3,448,673	4,052,652	3,716,104	4,274,106	3,878,463	4,020,829
Capital grants and contributions										
Total governmental activities program revenues	16,252,492	13,094,012	10,909,889	10,698,431	10,255,950	11,041,942	10,749,642	11,797,596	11,308,865	10,781,520

Schedule 3
City of Burlington, North Carolina
Fund Balances, Governmental Funds,
Last Five Fiscal Years

	Fiscal Year				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund					
Restricted					
Stabilization by State Statute	\$ 5,472,018	\$ 6,954,980	\$ 6,901,755	\$ 6,113,452	\$ 6,163,934
Historic Books	1,418	1,418	1,418	1,418	1,418
Animal Shelter	562	562	562	562	562
Committed					
Capital Reserve Fund	11,279,424	16,925,388	16,620,740	18,323,847	18,603,387
Assigned					
Subsequent Years Expenditure	1,636,986	1,636,986	1,816,112	2,053,816	1,636,986
General Government	4,316,000	4,316,000	4,316,000	4,316,000	4,316,000
Parks and Recreation	1,882,466	1,381,370	1,428,771	1,321,156	1,398,269
Public Safety	5,950,000	5,450,000	5,450,000	5,450,000	5,450,000
Economic Development	3,000,000	3,000,000	3,000,000	3,000,000	-
Public Works	3,125,000	3,125,000	3,125,000	3,125,000	700,000
Unassigned	12,468,373	8,881,287	7,445,326	8,211,865	12,946,857
Total general fund	<u>49,132,247</u>	<u>51,672,991</u>	<u>50,105,684</u>	<u>51,917,116</u>	<u>51,217,413</u>
All Other Governmental Funds					
Restricted					
Stabilization by State Statute	-	-	-	-	5,014
Economic Development	6,762,024	6,881,935	7,178,068	7,400,720	7,606,888
Public Safety	460,696	497,277	396,767	345,649	375,237
Committed					
Capital Improvements	-	1,280,743	980,769	977,891	1,204,506
Capital Reserve Fund	4,586,098	-	-	-	-
Assigned					
Subsequent year's expenditures:	447,806	468,859	483,457	491,785	505,148
Unassigned	(20,282)	(41,105)	(7,575)	(156,794)	20,114
Total all other governmental funds	<u>\$ 12,236,342</u>	<u>\$ 9,087,709</u>	<u>\$ 9,031,486</u>	<u>\$ 9,059,251</u>	<u>\$ 9,716,907</u>

Note: The schedule above is after restating fund balance per GASB 54 statement.

Schedule 3 (Continued)
City of Burlington, North Carolina
Fund Balances, Governmental Funds,
Last Five Fiscal Years

	Fiscal Year				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund					
Reserved	\$ 5,704,163	\$ 4,790,077	\$ 5,594,611	\$ 3,779,002	\$ 2,847,904
Unreserved	8,356,723	9,424,139	7,995,407	10,662,379	11,646,018
Designated for subsequent year's expenditures	17,746,673	16,916,736	17,484,970	13,397,095	9,580,099
Total general fund	<u>31,807,559</u>	<u>31,130,952</u>	<u>31,074,988</u>	<u>27,838,476</u>	<u>24,074,021</u>
All Other Governmental Funds					
Reserved	7,538,843	7,764,131	7,415,684	6,936,527	6,694,424
Unreserved, reported in:			7,975,904		
Designated for subsequent year's expenditures:					
Special revenue funds-Restricted	18,981,952	16,778,857	638,619	5,296,068	9,554,742
Capital projects funds-Committed	2,612,992	1,165,781	6,863,526	5,837,718	1,114,577
Total all other governmental funds	<u>\$ 29,133,787</u>	<u>\$ 25,708,769</u>	<u>\$ 22,893,733</u>	<u>\$ 18,070,313</u>	<u>\$ 17,363,743</u>

Note: The schedule above is pre-GASB 54.

Schedule 4
City of Burlington, North Carolina
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

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	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenues				
Ad valorem taxes	\$ 26,928,485	\$ 27,149,806	\$ 26,425,908	\$ 24,720,911
Other taxes and licenses	12,099,079	10,970,124	10,496,181	10,261,128
Unrestricted intergovernmental	4,914,193	4,560,068	4,222,801	4,509,286
Restricted intergovernmental	4,883,976	5,293,541	4,114,494	4,023,377
Permits and fees	1,243,300	1,128,772	1,222,541	1,025,476
Sales and services	4,066,783	3,858,474	3,962,533	3,947,957
Investment earnings	159,092	125,548	261,564	249,731
Miscellaneous	1,126,630	773,474	610,474	353,006
Total revenues	55,421,538	53,859,807	51,316,496	49,090,872
Expenditures				
General government	9,106,232	8,490,457	8,053,763	7,713,558
Public safety	22,633,787	20,869,801	20,670,064	19,523,967
Public works	6,744,540	9,756,316	7,603,776	8,644,203
Economic and physical development	1,880,541	1,474,926	1,368,876	1,574,410
Culture and recreation	6,430,052	6,097,465	6,078,028	5,812,752
Debt service:				
Principal	5,100,769	2,857,008	10,446,422	2,691,898
Interest	294,774	358,419	674,661	723,597
Capital Outlay	3,919,060	3,638,530	4,615,107	3,148,952
Total expenditures	56,109,755	53,542,922	59,510,697	49,833,337
Excess of revenues over (under) expenditures	(688,217)	316,885	(8,194,201)	(742,465)
Other Financing Sources (Uses)				
Transfers from other funds	9,494,212	1,980,771	3,946,670	2,679,386
Transfers to other funds	(9,807,067)		(4,259,526)	(3,092,241)
Transfers to component unit				-
Capital lease obligations issued				-
Certificates of participation issued				-
Issuance of private activity bonds (RZED)				-
Proceeds from bond issuance				-
Issuance from installment purchase	1,608,961	1,619,502	6,667,859	1,267,473
Total other financing sources (uses)	1,296,106	3,600,273	6,355,003	854,618
Net change in fund balances	\$ 607,889	\$ 3,917,158	\$ (1,839,198)	\$ 112,153
Debt service as a percentage of noncapital expenditures	10.3%	6.4%	20.3%	7.3%

Fiscal Year					
<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 25,984,094	\$ 24,852,944	\$ 23,944,594	\$ 22,959,919	\$ 22,020,569	\$ 18,993,866
10,086,790	9,081,632	9,910,654	10,425,711	9,956,747	9,194,171
4,444,816	4,298,234	4,344,070	4,492,768	4,284,884	3,745,537
3,868,203	4,651,477	4,208,258	4,816,213	4,241,322	4,352,292
868,641	700,723	810,402	1,428,348	1,918,985	1,341,313
3,983,062	4,046,529	4,224,621	3,957,048	3,673,388	3,576,218
189,248	301,575	1,184,744	2,097,076	2,273,169	1,577,263
288,747	424,952	492,277	301,892	312,095	566,928
49,713,601	48,358,066	49,119,620	50,478,975	48,681,159	43,347,588
8,316,294	8,238,393	8,007,500	7,529,925	7,774,715	7,101,680
18,654,343	18,584,573	17,527,448	17,587,449	16,130,108	15,718,644
7,962,307	6,924,894	7,688,216	8,186,747	7,158,072	6,999,791
1,619,663	1,522,589	933,595	817,368	722,891	1,048,340
5,628,193	5,498,179	5,687,867	5,408,875	5,525,920	6,388,082
2,841,286	2,793,551	2,748,834	2,548,160	2,688,134	1,748,916
778,504	705,857	770,893	838,078	874,616	753,937
4,599,040	2,948,353	3,644,647	7,360,677	5,713,214	471,920
50,399,630	47,216,389	47,009,000	50,277,279	46,587,670	40,231,310
(686,029)	1,141,677	2,110,620	201,696	2,093,489	3,116,278
711,581	2,725,287	3,781,627	2,407,433	2,454,576	1,845,882
(1,024,435)	(3,741,877)	(4,346,869)	(2,717,787)	(3,209,456)	(2,987,867)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,899,000	-	-	-	-
-	-	-	-	9,359,162	-
991,857	1,077,538	1,325,622	1,664,789	277,055	1,111,695
679,003	2,959,948	760,380	1,354,435	8,881,337	(30,290)
\$ (7,026)	\$ 4,101,625	\$ 2,871,000	\$ 1,556,131	\$ 10,974,826	\$ 3,085,988
7.9%	7.9%	8.1%	7.9%	8.9%	6.6%

Schedule 5
City of Burlington, North Carolina
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year Ended June 30,	Real Property	Personal Property	Public Service Companies	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2015	\$ 3,799,919,178	\$ 812,901,629	\$ 69,230,008	\$ 45,979,608	4,636,071,207	\$ 0.580
2014	3,719,982,981	880,157,173	65,804,603	45,882,171	4,620,062,586	0.580
2013	3,696,580,748	725,397,303	69,134,071	46,054,536	4,445,057,586	0.580
2012	3,577,135,670	647,804,267	68,040,422	47,077,773	4,245,902,586	0.580
2011	3,584,241,446	648,169,194	70,873,679	39,093,132	4,264,191,187	0.590
2010	3,547,546,834	640,124,432	74,014,766	24,980,100	4,236,705,932	0.590
2009	3,148,340,051	724,788,680	65,329,774	25,420,105	3,913,038,400	0.625
2008	2,998,789,899	702,223,245	71,968,398	24,782,192	3,748,199,350	0.625
2007	2,929,664,431	580,421,602	68,488,939	25,353,405	3,553,221,567	0.625
2006	2,825,617,455	577,276,951	66,643,479	25,250,317	3,444,287,568	0.555

Source: Annual audited financial reports of the entity and reports of the Tax Assessor and Tax Collector for this entity.

Note: Alamance County does a revaluation every eight (8) years and only records increases and decreases in the other years. The last revaluation was done in 2009, with the next due in 2017.

Schedule 6
City of Burlington, North Carolina
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Fiscal Year	City Direct Rates			Overlapping Rates	
	Basic Rate	General Obligation Debt Service	Total Direct	Downtown Corp	Alamance County
2015	\$ 0.503	\$ 0.0769	\$0.580	\$ 0.160	\$ 0.530
2014	0.502	0.0775	0.580	0.160	0.540
2013	0.495	0.0810	0.580	0.160	0.520
2012	0.494	0.0852	0.580	0.160	0.520
2011	0.498	0.0916	0.590	0.160	0.520
2010	0.500	0.0903	0.590	0.160	0.520
2009	0.525	0.0996	0.625	0.160	0.580
2008	0.525	0.0998	0.625	0.160	0.580
2007	0.512	0.1134	0.625	0.160	0.575
2006	0.476	0.0791	0.555	0.160	0.563

Source: City of Burlington's Finance Department

**Schedule 7
City of Burlington, North Carolina
Principal Property Tax Payers
Current Year and Nine Years Ago**

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Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Labcorp	\$ 125,741,574	1	2.71 %	\$ 82,476,043	1	2.38 %
Alamance Crossing LLC	67,777,485	2	1.46			
Roche	48,824,212	3	1.05			
Duke Energy Corp	37,891,231	4	0.82	29,721,768	3	0.86
PGS Burlington, LLC	28,778,649	5	0.62	18,211,835	7	0.53
Carolina Hosiery	24,165,099	6	0.52	18,614,064	6	0.54
Keybank National Assoc	22,835,567	7	0.49			
Ethan Pointe LLC	21,850,136	8	0.47			
Huffman Mill Plaza	21,103,934	9	0.46	22,057,432	4	0.64
Koury Properties	18,165,301	10	0.39			
Burlington Mall				32,129,188	2	0.93
Bell South				19,386,555	5	0.56
Meredith Webb				14,062,964	8	0.40
West Point Pepperell				13,907,305	9	0.40
Hunters Bridge Apts.				13,780,226	10	0.40
Total	\$ 417,133,188		9.00 %	\$ 264,347,380		7.64 %

Source: City of Burlington Tax Department

**Schedule 8
City of Burlington, North Carolina
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 26,902,971	\$26,541,013	98.65 %		26,541,013	98.65 %
2014	26,803,894	26,317,352	98.18	246,522	26,563,874	99.10
2013	25,789,046	25,105,830	97.35	509,529	25,615,359	99.33
2012	24,636,120	23,819,010	96.68	686,335	24,505,345	99.47
2011	25,169,334	24,403,266	96.96	619,809	25,023,075	99.42
2010	24,993,044	23,825,333	95.33	859,128	24,684,461	98.77
2009	24,442,673	23,455,196	95.96	790,294	24,245,490	99.19
2008	23,439,381	22,583,026	96.35	696,455	23,279,481	99.32
2007	22,168,691	21,431,448	96.67	675,102	22,106,550	99.72
2006	19,113,060	18,542,350	97.01	563,461	19,105,811	99.96

Source: Annual audited financial reports of the entity and reports of the Tax Assessor and Tax Collector for this entity.

Schedule 9
City of Burlington, North Carolina
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year	Business-Type Activities											
	Governmental Activities					Business-Type Activities						
	General Obligation Bonds	RZED Bonds	Installment Purchase	Capitalized Leases	Certificates of Participation	General Obligation Bonds	Revenue Bonds	Revolving Loan	Certificates of Participation	Total Primary Government	Percentage of Personal Income	Per Capita
2015	\$ 5,651,978	-	\$ 2,140,876	-	\$ -	\$ 4,047,000	\$ 36,219,027	-	\$ -	48,058,881	9.20	928
2014	8,994,345	-	2,323,955	-	-	5,184,752	37,821,088	-	-	54,324,140	10.7	1,055
2013	10,189,321	-	2,382,461	-	-	6,384,745	39,433,399	-	-	58,389,926	12.1	1,138
2012	10,604,081	2,531,217	2,502,729	-	-	7,594,520	41,021,613	-	-	64,254,160	13.4	1,270
2011	11,724,945	2,725,926	2,615,271	-	-	8,817,338	23,135,863	-	-	49,019,343	10.2	981
2010	12,855,089	2,899,000	3,164,139	-	-	10,059,723	-	32,500	9,940,000	38,950,451	8.4	754
2009	13,979,593	-	3,758,602	-	-	11,342,853	-	-	10,650,000	39,731,048	8.6	780
2008	15,103,317	-	4,060,782	-	-	12,626,408	-	-	11,360,000	43,150,507	9.3	875
2007	16,118,945	-	4,617,391	-	-	13,903,542	-	-	12,075,000	46,714,878	10.9	980
2006	7,732,142	-	5,234,365	-	210,000	15,315,348	-	-	12,795,000	41,286,855	10.3	873

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Schedule 10
City of Burlington, North Carolina
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities	Business-Type Activities	Total	Percentage of Actual Taxable Value (1) of Property	Per Capita (2)
	General Obligation Bonds	General Obligation Bonds			
2015	5,651,978	4,047,000	9,698,978	0.21 %	187.20
2014	8,994,345	5,184,752	14,179,097	0.31	275.27
2013	10,189,321	6,384,745	16,574,066	0.37	323.04
2012	10,604,081	7,594,520	18,198,601	0.43	359.75
2011	11,724,945	8,817,338	20,542,283	0.48	411.15
2010	12,855,089	10,059,723	22,914,812	0.54	443.55
2009	13,979,593	11,342,853	25,322,446	0.65	497.23
2008	15,103,317	12,626,408	27,729,725	0.74	561.98
2007	16,118,945	13,903,542	30,022,487	0.84	629.51
2006	7,732,142	15,315,348	23,047,490	0.67	487.31

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements

(1) See Schedule 5 for property value data.

(2) Population data can be found in Schedule 14.

Schedule 11

City of Burlington, North Carolina
Direct and Overlapping Governmental Activities Debt
As of June 30, 2015
(dollars in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable(a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Alamance County General Obligation Debt	\$ 63,620,833	33.26%	\$ 21,158,484
Alamance County Authorized & Unissued GO Debt	15,000,000	33.26%	4,988,575
Guilford County General Obligation Debt	726,380,000	10.12%	73,489,171
Guilford County Unamortized G.O. Bond Premium	46,811,655	10.12%	4,736,019
Other debt			
Alamance County Installment Loans	15,492,612	33.26%	5,152,403
Guilford County G.O. Bond Anticipation Notes	2,350,000	10.12%	237,754
Guilford County Authorized & Unissued Bonds	232,220,000	10.12%	23,494,115
Guilford County Limited Obligation Bonds	16,845,000	10.12%	1,704,239
Guilford County Installment Financing	3,826,754	10.12%	387,160
Subtotal, overlapping debt			135,347,919
City direct debt			7,792,854
Total direct and overlapping debt			\$ 143,140,773

Sources: Population data used to estimate applicable percentages came from the Office of State Budget & Management.

Debt outstanding data provided by each governmental unit.

(a) The percentage of overlapping debt applicable is estimated using population figures. Applicable percentages were estimated by dividing the City's population by the County's population.

Schedule 12
City of Burlington, North Carolina
Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year

Assessed value of taxable property	4,636,071,207
Debt limit (8% of assessed value)	370,885,697
Gross Debt:	
Total Bonded Debt	9,698,978
Private Activity Bonds	-
Certificate of Participation	-
Revenue Bonds	36,219,027
Lease Financing Agreements	2,140,876
Total Gross Debt	48,058,881
Less: Water and Sewer Bonds	(40,266,027)
Total net debt applicable to limit	7,792,854
Legal debt margin	363,092,843

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 275,543,005	\$ 284,257,725	\$ 299,855,948	\$ 312,963,072	\$ 338,936,475	\$ 341,135,295	\$ 339,672,207	\$ 355,604,607	\$ 369,605,007	\$ 370,885,697
Total net debt applicable to limit	13,075,035	32,811,336	30,524,099	28,388,195	28,890,728	17,068,632	15,188,097	12,571,782	11,189,204	7,792,854
Legal debt margin	\$ 262,467,970	\$ 251,446,389	\$ 269,331,849	\$ 284,574,877	\$ 310,045,747	\$ 324,066,663	\$ 324,484,110	\$ 343,032,825	\$ 358,415,803	\$ 363,092,843
Total net debt applicable to the limit as a percentage of debt limit	4.75%	11.54%	10.18%	9.07%	8.52%	5.00%	4.47%	3.54%	3.03%	2.10%

Note: Under North Carolina Local Budget & Control Act, the city's outstanding general obligation debt should not exceed 8 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Schedule 13
City of Burlington, North Carolina
Pledged-Revenue Coverage
Last Five Fiscal Year
(dollars in thousands)

Fiscal Year	Water & Sewer Revenue Bonds (1)						Coverage
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service (2)		Interest	
2015	\$ 27,292,611	\$ 15,760,218	11,532,393	\$ 1,560,000	\$ 1,795,170		3.4
2014	21,065,349	14,998,174	6,067,175	1,525,000	1,862,120	1.8	
2013	20,520,559	14,471,192	6,049,367	1,495,000	1,927,870	1.8	
2012	21,389,894	14,385,550	7,004,344	960,000	1,302,469	3.1	
2011	21,808,147	14,825,993	6,982,154	-	-	-	

(1) The City issued Combined Enterprise System Revenue bonds, Series 2010A in the amount of \$11,825,000, Combined Enterprise System Revenue bonds, Series 2010B in the amount of \$10,700,000 in December of 2010 and Combined Enterprise System Revenue bonds, Series 2011 in the amount of \$18,370,000.

(2) No debt payments were made in fiscal year 6/30/11, the first payment was made in August of 2011.

Note: Operating expenses do not include interest, depreciation, or amortization expenses. Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Schedule 14
City of Burlington, North Carolina
Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Year</u>	<u>Population Estimates (1)</u>	<u>Alamance County Personal Income (2)</u>	<u>Alamance County Per Capita Personal Income (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2015	51,812	**	**	22,706	5.2%
2014	51,510	*	*	22,690	6.9%
2013	51,306	5,224,119	33,840	22,423	9.7%
2012	50,587	5,068,382	32,929	22,531	10.1%
2011	49,963	4,807,695	31,363	22,451	10.0%
2010	51,662	4,655,074	30,720	22,384	11.7%
2009	50,927	4,611,574	30,671	22,304	9.3%
2008	49,343	4,659,254	31,501	22,260	5.2%
2007	47,692	4,282,107	29,575	22,202	5.3%
2006	47,295	4,012,634	28,265	21,772	5.9%

* Not available until April, 2016

** Not available until April, 2017

Sources:

- (1) U. S. Census Bureau
- (2) U. S. Department of Commerce - Bureau of Economic Analysis
- (3) N. C. Department of Public Instruction
- (4) U. S. Department of Labor - Bureau of Labor Statistics

Schedule 15
City of Burlington, North Carolina
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	2015			2006		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Alamance-Burlington School Sys	3,329	1	13.89 %	2,600	2	12.25 %
LabCorp, Inc.	2,500	2	10.43	3,100	1	14.61
Alamance Regional Medical Ctr	2,240	3	9.35	1,500	3	7.07
Gold Toe Brands				895	4	4.22
Elon University	1,403	4	5.86	815	5	3.84
Culp, Inc.				786	6	3.70
Burlington Industries, Inc.				765	7	3.61
Westpoint Home Inc.				696	8	3.28
Wal-Mart Stores, Inc.	1,000	5	4.17			
Alamance County Offices	956	6	3.99	640	10	3.02
City of Burlington	806	7	3.36			
GKN Driveline North America	800	8	3.34	650	9	3.06
Alamance Community College	652	9	2.72			
Honda Power Equipment	671	10	2.80			
Total	14,357		59.92 %	12,447		58.66 %

Sources:
Alamance County Chamber of Commerce
Employment Security Commission of North Carolina

**Schedule 16
City of Burlington, North Carolina
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years**

<u>Function/Program</u>	Full-time Equivalent Employees as of June 30									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General government										
Administration/Public Information	4	3	3	3	3	3	3	3	3	4
Customer Service/Collections	20	19	19	18	19	16	19	19	18	18
Finance	14	13	13	13	14	13	14	13	13	12
Information Technology	8	7	7	6	6	6	6	6	7	8
Legal	2	1	1	1	2	2	2	2	2	2
Human Resources	6	6	6	6	6	5	4	5	5	5
Planning	15	15	14	14	14	11	11	9	10	9
Inspections	9	9	9	9	9	10	11	14	13	13
Engineering/Traffic Control	14	14	14	14	14	18	17	18	18	17
Police										
Sworn Officers	121	125	123	122	124	115	112	106	105	112
Civilians	51	44	40	41	41	40	42	40	43	40
Fire										
Firefighter and officers	91	90	89	88	88	87	88	89	90	90
Civilians	1	1	1	1	1	1	1	2	2	2
Public Works										
Administration	4	4	4	4	3	2	2	2	2	3
Maintenance	24	23	24	24	24	22	23	24	22	23
Street	20	22	22	22	23	23	24	24	23	23
Cemetery	15	16	15	14	16	16	16	13	14	13
Sanitation	17	17	18	17	21	21	22	23	21	23
Recreation	44	44	43	42	43	42	41	44	45	42
Water and Sewer	87	86	90	88	86	84	87	84	86	83

Source: Full-time Equivalent Employee information was provided by the City of Burlington's

Schedule 17
City of Burlington, North Carolina
Operating Indicators by Function/Program
Last Ten Fiscal Years

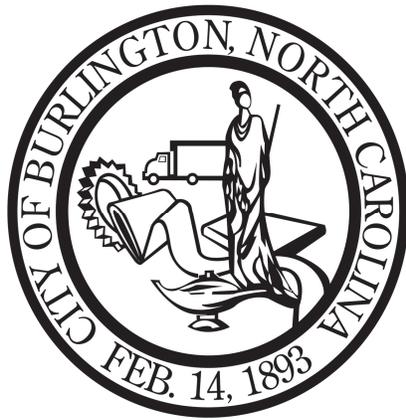
<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Police										
Physical arrests	5,232	6,006	6,040	5,623	5,652	5,432	5,797	5,903	6,527	5,197
Parking violations	625	1,459	2,467	1,988	3,104	1,620	2,129	3,440	2,985	3,972
Traffic violations	5,630	7,175	6,727	5,248	5,903	5,612	4,793	6,063	8,651	7,414
Fire										
Emergency responses	8,197	7,688	7,914	7,481	4,992	5,056	5,064	4,375	4,501	5,071
Fires responses	2,326	1,946	2,074	2,173	2,125	2,061	1,610	2,036	1,438	1,571
Inspections	3,313	2,990	3,064	2,863	2,712	2,648	2,844	2,528	2,951	2,657
Refuse collection										
Refuse collected (tons per day)	33	66	66	72	72	73	69	79	76	74
Recyclables collected (tons per day)	7	27	29	21	23	29	33	30	31	28
Other Public Works										
Street resurfacing (miles)	9.42	3.15	3.59	7.73	5.8	13.4	0	7	35	30
Potholes repaired	108	162	89	63	100	542	335	101	100	100
Recreation and Parks										
Athletic field permits issued	157	157	155	150	94	103	82	82	75	70
Community center admissions	190,300	168,700	166,550	163,400	162,500	151,100	145,255	140,132	128,725	120,186
Water										
New connections	38	35	34	36	32	33	61	83	81	121
Water mains breaks	57	71	50	53	72	81	78	101	83	39
Average daily consumption (thousands of gallons)	10,333	10,284	11,313	12,114	10,995	11,875	10,200	12,461	11,586	11,755
Peak daily consumption (thousands of gallons)	16,296	15,964	16,106	21,577	18,460	19,000	19,000	18,897	16,670	17,469
Wastewater										
Average daily sewage treatment (thousands of gallons)	10,449	11,879	10,730	10,550	11,794	12,000	11,200	11,170	10,900	11,950

Sources: Various city departments.

Schedule 18
City of Burlington, North Carolina
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	4	6	7	7	7	7	6	4	3	3
Patrol units	151	151	151	151	148	144	141	134	133	130
Fire Stations	5	5	5	5	5	5	5	5	5	5
Refuse collection										
Collection trucks	22	21	22	19	19	20	18	16	15	15
Other public works										
Streets (miles)	243.71	243.62	243.29	243.29	238.89	237.90	238	238	234	230
Highways (miles)	70.58	69.73	69.73	66.79	62.24	62.27	61	61	61	63
Streetlights	5,139	5,019	4,979	4,844	4,760	4,754	4,738	4,706	4,492	4,239
Traffic Signals	41	40	36	36	36	35	35	35	32	32
Recreation and parks										
Acreage	638.45	638.45	638.45	638.45	638.45	631.45	631.45	631.45	631.45	631.45
Playgrounds	21	21	21	21	21	16	16	16	16	16
Baseball/softball diamonds	17	17	17	17	17	17	17	17	17	17
Soccer/football fields	15	15	15	15	15	12	12	12	12	12
Community centers	6	6	6	6	6	6	6	6	6	6
Water										
Water mains (miles)	393.77	390	388.76	387.29	385.82	385.12	383	376.15	360.22	350.00
Fire hydrants	2,256	2,196	2,190	2,284	2,064	2,064	2,032	1,900	1,900	1,886
Storage capacity (thousands of gallons)	14,000	14,000	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Wastewater										
Sanitary sewers (miles)	387.79	386.36	385.06	384.36	383.70	382.85	382.85	378.24	364.55	371.00
Storm sewers (miles)	198.13	221.3	147.9	219.63	219.63	213	113	100	100	100
Treatment capacity (thousands of gallons per day)	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000

Sources: Various city departments.





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

To The Honorable Mayor and
Members of the City Council
City of Burlington
Burlington, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United State of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Burlington, North Carolina, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprises the City of Burlington's basic financial statements and have issued our report thereon dated October 30, 2015. The financial statements of the Burlington Downtown Corporation were not audited in accordance with *Government Auditing Standards*.

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Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Burlington's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Burlington's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

STOUT STUART MCGOWEN & KINGS LLP

October 30, 2015



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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

To The Honorable Mayor and
Members of the City Council
City of Burlington
Burlington, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the City of Burlington, North Carolina, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City of Burlington's major federal programs for the year ended June 30, 2015. The City of Burlington's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs

Management Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Burlington's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Burlington's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Burlington's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Burlington complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

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Report on Internal Control Over Compliance

Management of the City of Burlington is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Burlington's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

STOUT STUART McEDWARDS & KINGS LLP

October 30, 2015



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REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; IN ACCORDANCE WITH OMB CIRCULAR A-133; AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

To The Honorable Mayor and
Members of the City Council
City of Burlington
Burlington, North Carolina

Report on Compliance for Each Major State Program

We have audited City of Burlington, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City of Burlington's major state programs for the year ended June 30, 2015. The City of Burlington's major State program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its major state program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Burlington's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about the City of Burlington's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination on the City of Burlington's compliance.

Opinion on Each Major State Program

In our opinion, the City of Burlington complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State program for the year ended June 30, 2015.

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Report on Internal Control Over Compliance

Management of the City of Burlington is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Burlington's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

STOUT STUART McEDWARDS & KINGS LLP

October 30, 2015

Section I. Summary of Auditor's Result:

Financial Statements

Type of auditor's report issued		Unmodified
Internal control over financial reporting		
Material weakness(es) identified	_____ Yes	_____ X _____ No
Significant Deficiency(s) identified that are not considered to be material weaknesses	_____ Yes	_____ X _____ None Reported
Noncompliance material to financial statements noted	_____ Yes	_____ X _____ No

Federal Awards

Internal control over major federal program		
Material weakness(es) identified	_____ Yes	_____ X _____ No
Significant Deficiency(s) identified that are not considered to be material weaknesses	_____ Yes	_____ X _____ None Reported
Type of auditor's report issued on compliance for major federal programs		Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133	_____ Yes	_____ X _____ No

Identification of major federal program:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
14.218	Community Development Block Grant
14.239	HOME Investment Partnership Program
16.005	Federal Asset Forfeiture Funds
97.036	Disaster Grants - Public Assistance

Dollar threshold used to distinguish between Type A and Type B programs	_____ <u>\$300,000</u> _____	
Auditee qualified as low-risk auditee	_____ X _____ Yes	_____ _____ No

CITY OF BURLINGTON, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2011

Section I. Summary of Auditor's Result

State Awards

Internal control over major State program:

Material weakness(es) identified _____ Yes X No

Significant Deficiency(s) identified that are not considered to be material weaknesses _____ Yes X None Reported

Type of auditor's report issued on compliance for major State programs _____ Unmodified

Any audit findings disclosed that are required to be reported in accordance with State Single Audit Implementation Act _____ Yes X No

Identification of major State program

Program Name

Powell Bil

Section II. Financial Statement Finding

None reported

Section III. Federal Award Findings and Questioned Costs

None reported

Section IV. State Award Findings and Questioned Costs

None reported

CITY OF BURLINGTON, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2015

None

CITY OF BURLINGTON, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 For the Year Ended June 30, 2015

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct and Pass Through) Expenditures	State Expenditures	Local Expenditures
Federal Grants:				
Cash Programs:				
<u>U.S. Department of Housing and Urban Development Direct Program:</u>				
Community Development Block Grant - Entitlement Grant	14.218	462,918		
Passed-through Greensboro Consortium:				
Home Investment Partnership Program	14.239	869,082		
Passed-through N.C. Housing Financing Agency:				
Stewart B. McKinney Homeless Assistance Act	14.000	65,000		
<u>U.S. Department of Justice</u>				
Direct Program:				
Office of Justice:				
Federal Asset Forfeiture Funds	16.005	320,918		
Office of Community Oriented Policing Services:				
Public Safety Partnership and Community Policing Grant	16.710	94,997		
Passed-through North Carolina Department Of Crime Control and Public Safety:				
Edward Byrne Memorial Justice Assistance Grant	16.738	59,692		
<u>U.S. Department of Transportation</u>				
Passed-through North Carolina Department of Transportation:				
Highway Planning and Construction Grants:				
State Planning and Research	20.205-5	228,351		
Safe Routes to School Program	20.205-7	105,570		
Federal Transit Technical Studies Grant	20.505	21,941		73,354
<u>U.S. Department of Homeland Security</u>				
Passed-through North Carolina Department of Public Safety:				
Disaster Grants – Public Assistance	97.036	513,035		
Total assistance - federal programs		2,741,504		73,354

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 For the Year Ended June 30, 2015

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass Through) Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
State Grants:				
Cash Assistance:				
<u>N.C. Department of Transportation:</u>				
Powell Bill			1,452,375	
Transit Development Program			2,507	
<u>Piedmont Triad Council of Governments:</u>				
Division of Aging		_____	11,680	_____
Total assistance - State programs		_____	1,466,562	_____
Total assistance		\$ 2,741,504	\$ 1,466,562	\$ 73,354

Notes to the Schedule of Expenditures Federal and State Financial Awards:

- The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of the City of Burlington and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

City of Burlington:
 GASB 34 CALCULATION OF MAJOR FUNDS
 June 30, 2015

Note: Revenue includes operating and nonoperating but not other financing sources. Amounts should be taken from the fund statements instead of the government-wide.

Type of Fund	Computes "X" if Meets			Computes "X" if Meets			Expenditures/ Expenses	Computes "X" if Meets			Computes "MAJOR" if Fund is Major if a "Category" Has an "X" in Both Columns. Then Fund is a Major Fund
	Assets	Liabilities	Revenue	10% Rule	5% Rule	N/A		10% Rule	5% Rule	N/A	
General Fund	40,932,147	3,056,868	53,142,544	N/A	N/A	N/A	52,947,046	N/A	N/A	N/A	YES, ALWAYS MAJOR
Special Revenue Funds:											
MPO Planning/trns.	414,632	-	274,563	-	-	-	321,568	-	-	-	-
Capital Reserve	22,087	-	13,703	-	-	-	66,912	-	-	-	-
Substance Abuse	409,013	565	313,049	-	-	-	320,918	-	-	-	-
Rico	9,854,229	6,215,812	765,076	X	-	-	869,082	-	-	-	MAJOR
Home Program	24,280	2,786	395,694	-	-	-	395,877	-	-	-	-
Community Dev.	62,924	62,924	128,326	-	-	-	128,326	-	-	-	-
Downtown	24,155	24,155	153,057	-	-	-	153,057	-	-	-	-
Guilford Mecklinbsh	2,108,596	477	12,128	-	-	-	67,041	-	-	-	-
Rehab Loan	4,793	-	-	-	-	-	3,150	-	-	-	-
Medicare Part D	-	17,797	115,411	-	-	-	94,997	-	-	-	-
Bureau of Justice Asst. Comm. Oriented Policing	-	-	-	-	-	-	-	-	-	-	-
All Hazard Preparedness	-	-	-	-	-	-	-	-	-	-	-
Edward Byrne Justice Assistance	104,545	-	85,121	-	-	-	59,692	-	-	-	-
Public Transportation	-	2,485	-	-	-	-	2,485	-	-	-	-
Rental Rehab	947,991	-	13,441	-	-	-	(346)	-	-	-	-
Total Special Revenue	13,977,245	6,327,001	2,249,599	-	-	-	2,482,559	-	-	-	-
Debt Service Fund	-	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds:											
ERP System	605,969	-	123	-	-	-	3,276	-	-	-	-
ARRA Piedmont Way Widening and Sidewalk	-	-	-	-	-	-	92,767	-	-	-	-
Fire Station No.6	3,647,461	85,981	272	-	-	-	605,816	-	-	-	-
Drainage Improvement	418,649	-	52	-	-	-	-	-	-	-	-
Total Capital Projects	4,672,079	85,981	447	-	-	-	701,859	-	-	-	-
Total Governmental Funds	59,581,471	9,469,950	55,392,580	-	-	-	56,131,464	-	-	-	-
10 % of Total Governmental Funds	5,958,147	946,995	5,539,258	-	-	-	5,613,146	-	-	-	-
Enterprise Funds:											
Water and Sewer	213,138,232	44,606,391	27,292,811	X	X	-	21,420,763	X	X	-	MAJOR
Storm Water	2,001,394	19,970	892,842	-	-	-	518,104	-	-	-	-
Other Enterprise Fund 1	-	-	-	-	-	-	-	-	-	-	-
Total Enterprise Funds	215,139,616	44,626,361	28,115,453	-	-	-	21,938,867	-	-	-	-
10% of Total Enterprise Funds	21,513,962	4,462,636	2,811,545	-	-	-	2,193,887	-	-	-	-
Total Governmental & Enterprise Funds	274,721,087	54,095,211	83,508,033	-	-	-	78,070,331	-	-	-	-
5% of Total Governmental & Enterprise Funds	13,736,054	2,704,911	4,175,402	-	-	-	3,903,517	-	-	-	-

Transfers is the only major activity not a stand alone fund