CITY OF BURLINGTON
NORTH CAROLINA

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COMPREHENSIVE
ANNUAL FINANCIAL
REPORT

FISCAL YEAR ENDED JUNE 30, 2019

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF BURLINGTON

FISCAL YEAR ENDED JUNE 30, 2019

CITY COUNCIL

IAN T. BALTUTIS, MAYOR
KATHRYN O. HYKES, MAYOR PRO TEM
ROBERT M. WARD, COUNCILMEMBER
JAMES B. BUTLER, COUNCILMEMBER
HAROLD T. OWEN, COUNCILMEMBER

CITY MANAGER
F. HARDIN WATKINS, JR.

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

Prepared by the City of Burlington Finance Department

CITY OF BURLINGTON, NORTH CAROLINA

TABLE OF CONTENTS

June 30, 2019

Exhibit		Page Number
	INTRODUCTORY SECTION:	
	Letter of Transmittal	i-viii
	GFOA Certificate of Achievement	ix
	Organizational Chart	x
	List of Principal Officers	xi
	FINANCIAL SECTION:	
	Independent Auditor's Report on the Basic Financial Statements and Required Supplementary Information	xii-xiv
	Management's Discussion and Analysis	xv-xxxi
	Basic Financial Statements	
	Government-Wide Financial Statements:	
1	Statement of Net Position	1
2	Statement of Activities	2
	Fund Financial Statements:	
3	Balance Sheet - Governmental Funds	3
3	Reconciliation of the Government Funds Balance Sheet to the Statement of Net Assets	3
4	Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	4
4	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5
5	Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	6
6	Statement of Net Position - Proprietary Funds	7
7	Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	8
8	Statement of Cash Flows - Proprietary Funds	9-10
	Notes to the Financial Statements	11-48
	Required Supplemental Information	
	Schedule of the Proportionate Share of the Net Pension Liability (Asset) - Local Government Employees' Retirement System	49
	Schedule of Contributions-Local Government Employees' Retirement System	50
	Schedule of the Proportionate Share of the Net Pension Liability - Firefighters' and Rescue Squad Workers' Pension	51

CITY OF BURLINGTON, NORTH CAROLINA

TABLE OF CONTENTS

June 30, 2019

Exhibit		Page Number
	Schedule of Changes in Total Pension Liability - Law Enforcement Officers' Special Separation Allowance	52
	Schedule of Total Pension Liability as a Percentage of Covered Payroll	53
	Schedule of Changes in the Total OPEB Liability and Related Ratios	54
	Individual Fund Statements and Schedules:	
	Balance Sheet- General Fund	55
	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	56-71
	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Capital Reserve Fund	72
	Combining Balance Sheet for Non-Major Governmental Funds	73
	Combining Statements of Revenues, Expenditures, and Changes in Fund Balance for Non-Major Governmental Funds	74
	Special Revenue Funds:	
	Combining Balance Sheet	75-76
	Combining Statements of Revenues, Expenditures and Changes in Fund Balances	77-78
	Schedule of Revenues and Expenditures - Budget and Actual:	
	Community Development Fund	79-93
	Rehabilitation Loan Program Fund	94
	Rental Rehabilitation Loan Program Fund	95
	Downtown Special Tax District Fund	96
	HOME Program Project Fund	97-98
	Governor's Crime Commission Human Trafficking	99
	RICO Fund	100
	Edward Byrne Justice Assistance Grant Fund	101
	Guilford Mackintosh Fund	102
	Controlled Substance Tax Fund	103
	MPO Planning Transportation Fund	104
	Medicare Part D Grant Project Fund	105
	Bureau of Justice Community Oriented Policing Grant	106

CITY OF BURLINGTON, NORTH CAROLINA

TABLE OF CONTENTS

June 30, 2019

Exhibit		Page Number
	General Capital Project Funds:	
	Combining Balance Sheet	107-108
	Combining Statements of Revenues, Expenditures, and Changes in Fund Balance	109-110
	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
	ERP System Project Fund	111
	Transportation Sidewalks & Intersection Project Fund	112
	Animal Shelter Project Fund	113
	Front Street Greenway/Bikeway	114
	Willowbrook Arboretum	115
	Dentzel Carousel Restoration	116
	North Park Pool Project	117
	Enterprise Funds:	
	Nonmajor Enterprise Funds - Combining Statement of Net Position	118
	Nonmajor Enterprise Funds - Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	119
	Nonmajor Enterprise Funds - Combining Statement of Cash Flows	120
	Schedule of Revenues and Expenditures - Budget (Modified Accrual Basis) and Actual:	
	Public Transportation Fund	121-122
	Storm Water Fund	123
	Water and Sewer Fund	124-129
	Water and Sewer Capital Projects - Water Capital Reserve Fund	130
	Water and Sewer Capital Projects - Sewer Capital Reserve Fund	131
	Water and Sewer Capital Projects - Tank Removal Project Fund	132
	Water and Sewer Capital Projects - Sewer Service Expansion/Airport	133
	Water and Sewer Capital Projects - J D Mackintosh Treatment Process	134
	Internal Service Funds:	
	Statement of Net Assets	135
	Combining Schedules of Revenues, Expenses, and Changes in Net Assets	136

CITY OF BURLINGTON, NORTH CAROLINA

TABLE OF CONTENTS

June 30, 2019

Exhibit		Page Number
	Combining Statement of Cash Flows - Plan and Actual	137-138
	Schedule of Revenues and Expenditures - Budget (Modified Accrual Basis) and Actual:	
	Dental Self Insurance Fund	139
	Workers Compensation Self Insurance Fund	140
	Group Health Benefits Self Insurance Fund	141
	Other Schedules:	
	Schedule of Ad Valorem Taxes Receivable	142
	Analysis of Current Tax Levy	143
	STATISTICAL SECTION:	
	Net Assets by Component	144-145
	Changes in Net Assets	146-147
	Fund Balances, Governmental Funds	148-150
	Changes in Fund Balances, Governmental Funds	151-152
	Assessed Value and Actual Value of Taxable Property	153
	Direct and Overlapping Property Tax Rates	154
	Principal Property Tax Payers	155
	Property Tax Levies and Collections	156
	Ratios of Outstanding Debt by Type	157
	Ratios of General Bonded Debt Outstanding	158
	Direct and Overlapping Governmental Activities Debt	159
	Legal Debt Margin Information	160
	Pledged-Revenue Coverage Last Fiscal Year	161
	Demographic and Economic Statistics	162
	Principal Employers	163
	Full-Time Equivalent City Government Employees by Function/Program	164
	Operating Indicators by Function/Program	165
	Capital Asset Statistics by Function/Program	166

CITY OF BURLINGTON, NORTH CAROLINA

TABLE OF CONTENTS

June 30, 2019

Exhibit		Page Number
	COMPLIANCE SECTION:	
	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	167-168
	Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; With OMB Uniform Guidance and the State Single Audit Implementation Act	169-170
	Report on Compliance for Each Major State Program and Internal Control Over Compliance in Accordance with the OMB Uniform Guidance and the State Single Audit Implementation Act	171-172
	Schedule of Findings and Questioned Costs	173-174
	Summary Schedule of Prior Audit Findings	175
	Schedule of Expenditures of Federal and State Awards	176-177
	Major Fund Determination	178

CITY OF BURLINGTON, NORTH CAROLINA

FEB. 14, 1893

CITY OF BURLINGTON

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

FINANCE DEPARTMENT *Phone (336) 222-5060*

November 21, 2019

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, 2019, 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, 2019, 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 Title 2 U. S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance), 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, 2019, 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 unmodified opinion that the City of Burlington's financial statements for the fiscal year ended June 30, 2019, 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 35.10 square miles and a population of 53,077. 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' inventories located therein. The City is also empowered by statute to extend its corporate limits by annexation. Since January 1980, the City has annexed 18.93 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 is 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; approval and amendment of all general and technical ordinances, including budgetary appropriations and construction and zoning ordinances; approval of all contracts; and the appointments of 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 6, 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 79.

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 continued to improve. 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, 2019, has seen a minimal increase in the water and sewer revenues. Of interest to note, according to projections recently released by the American City Business Journals, Alamance County is expected to see the greatest growth of any area of the Triad, with the population of Burlington and surrounding communities expected to grow by 15.4 percent by the year 2040. Below you will find noted some of the more significant economic activity occurring in the area.

Burlington's retail development is still thriving. Huffman Mill Commons, a $5.7 million project was completed during this past year. Burlington Coat Factory, Chipotle and Total Nutrition are located in this shopping center. Drakes, a sports bar/restaurant and Dairy Queen are two other venues that have recently opened. Andy's Custard is another one that is under construction.

The Burlington-Alamance Regional Airport continues to grow. They have expanded their campus by approximately 50 acres and continue toward a goal of a new terminal and operations area for incoming aircraft. Annual aircraft operations are up to nearly 75,000. The airport has been awarded $10.2 million in state and federal funds for expansion and improvements by the NC Board of Transportation. Aero Accessories Inc. has purchased property and an industrial building and land on Airpark Drive, another indicator of aviation growth in Burlington.

Businesses are expanding into Burlington. CS Carolina, which manufactures, sells and distributes synthetic nylon and polyester filament yarn has almost completed the new addition to their building and equipment. When completed, their investment will bring in the most advanced yarn making technology, which is not found anywhere else in the US. Burlington Kia opened its dealership on Hatchery Road. This $2.5 million dollar project opened in September, 2018. PRA Group, a call center focused on debt resolution, had its one-year anniversary in March and brought 500 new jobs to Burlington. PRA has its headquarters in Norfolk, VA. It has employees in 16 countries throughout the world.

Local businesses are seeing growth in our area. Burlington's Hummingbird 3D's facility is bringing new jobs to Burlington as it continues its expansion, creating hard-to-find replacement parts for legacy machinery. Hummingbird 3D strives to hire locally to retain their talented workforce.

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. Supermarket giant Publix has begun to build a distribution facility in McLeansville, bringing over 1000 jobs to the area. The $300 million project includes a 1.8 million ft^2 facility, and will span 350 acres. Publix also has plans to open a grocery store in Burlington's Holly Hill Mall. Honda Power Equipment celebrated 35 years and is expanding by over 135,000 ft^2 in Swepsonville in a $46.5 million project, which is in addition to 2018's $10 million/116,000 ft^2 project. Again, while these centers are not within the city limits of Burlington, they will 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, 2019

Name of Employer	Type of Business	Approximate Number of Employees
Alamance-Burlington School Sys	Public Education	3,500
LabCorp, Inc.	Medical Supplies/Svcs/Facilities	3,000
Cone Health Alamance Regional	Health Care	2,000
City of Burlington	Local Government	1,100
Wal-Mart Stores, Inc.	Retail Sales	600
Glen Raven, Inc.	Textiles	500
PRA Group	Call Center	500
Alamance Foods	Food Service	350
Sheetz	Bakery/Distribution Center	250
Tapco Underwriters, Inc.	Insurance Services	200

Alamance County's unemployment rate continues to stay below the peak reached in January of 2010 as evidenced in the following table.

% Unemployment (Alamance County)

	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
Jan	6.1	5.5	5.7	5.4	10.8	12.4	10.4	9.1	8.6	6.1	5.6	5.0	4.8	4.0	4.3
Feb	6.5	5.7	5.4	5.4	11.2	12.3	10.0	9.0	8.0	6.1	5.4	4.9	4.6	4.0	4.0
Mar	5.9	5.2	4.9	5.2	11.2	11.7	9.6	8.5	7.5	6.0	5.2	4.8	4.3	3.7	3.9
Apr	5.7	5.1	4.8	5.1	11.5	11.1	9.3	8.0	7.2	5.1	5.0	4.5	3.8	3.4	3.4
May	6.0	5.5	4.9	5.6	11.5	11.0	9.5	8.5	7.5	5.7	5.7	4.5	4.1	3.5	3.9
Jun	6.3	6.0	5.4	6.2	12.0	11.0	10.4	9.1	8.0	5.9	5.9	5.1	4.5	4.1	4.4
Jul	6.4	6.2	5.4	6.5	12.3	10.9	10.3	9.4	7.8	6.3	6.0	5.1	4.7	4.0	
Aug	6.2	5.9	5.1	6.7	12.0	10.5	10.2	9.0	7.3	6.2	5.7	5.0	4.7	3.9	
Sept	5.9	5.3	4.7	6.2	11.8	9.8	9.4	7.9	6.5	5.3	5.0	4.6	4.0	3.2	
Oct	5.8	5.0	4.7	6.3	11.8	9.7	9.3	8.0	6.6	5.3	5.1	4.6	4.0	3.3	
Nov	5.9	5.3	4.7	8.3	11.8	10.2	8.8	7.9	6.2	5.2	5.1	4.5	4.2	3.3	
Dec	5.2	4.8	5.0	9.4	12.2	9.8	8.7	8.0	5.8	4.9	4.9	4.4	4.0	3.5	

Source: Bureau of Labor Statistics

The following is a comparison of average annual unemployment rates (%) for the County, State and United States. All three have made significant improvements from last year.

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

Year	County	State	US	Year	County	State	US
2000	3.1	3.7	4.0	2010	10.9	10.9	9.6
2001	5.5	5.5	4.7	2011	9.7	10.3	8.9
2002	7.2	6.6	5.8	2012	8.5	9.3	8.1
2003	7.1	6.4	6.0	2013	7.3	8.0	7.4
2004	6.2	5.5	5.5	2014	5.7	6.3	6.2
2005	6.0	5.2	5.1	2015	5.4	5.7	5.3
2006	5.5	4.7	4.6	2016	4.7	5.1	4.9
2007	5.1	4.7	4.6	2017	4.5	4.8	4.7
2008	6.4	6.1	5.8	2018	3.7	3.9	3.9
2009	11.7	10.6	9.3	2019	4.0*	4.1*	3.8*

*Through June 2019

Source: Bureau of Labor Statistics

The City has maintained a stable financial condition for another year. Unemployment is at its lowest rate in years and sales tax revenues have increased. The number of building permits issued has increased over the numbers issued in the previous year. For example, developers have spent $10 million converting May Hosiery Mill (an old textile mill) into apartments in downtown Burlington. All of these are indications of the economy’s continuing growth, a 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. Some have predicted that the Burlington area will experience some of the highest growth in the state in the next 25 years. In addition, the Burlington Downtown Corporation, a component unit, has completed a master plan for redevelopment of the downtown area.

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.

(2) The last water system master plan was conducted in the early 2000s and portions have been updated periodically as needed. Wastewater planning has been conducted for various drainage basins, and each wastewater plant, but a comprehensive, system-wide water and wastewater plan has not been conducted. In April, 2019 Water Resources issued a Request for Qualifications from engineering companies to prepare a comprehensive water and sewer master plan. The first phase of the study should be completed by the end of the calendar year in 2020. This will assist the City in preparing plans for improvements to strengthen and improve the overall system.

(3) IT

The City has chosen to implement software called Smartgov. This software technology has several modules including but not limited to: building inspections, engineering, planning and code enforcement. One of the goals to be achieved with this software is

to have all applications connected to the GIS address of the property such that when an address is pulled up, it will automatically bring up everything that has occurred with this property as far as the City is concerned. This should help the City be more efficient working across City departments as opposed to each department working in silos.

(4) Transportation

The Link Transit transportation system launched on June 1, 2016. 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. June, 2019 marked the third anniversary of the Link Transit System, with 174,578 riders in its first year. Routes take riders to shopping centers, neighborhoods, Alamance Community College and into Gibsonville. During fiscal year 2019, the routes were expanded to include additional hours, providing transportation to those who work late.

(5) Capital Improvements

Outside of Community Development Block Grant (CDBG) funds, the City Council approved a capital project for the restoration of the Carousel. It has been 20 years since the last restoration, and there are some parts being replaced now that have never been replaced. The expected completion date is the spring of 2021. The North Park pool will be redesigned and renovation has begun and is a $3 million dollar project. The City Council also approved an improvement plan to be made to Willowbrook Park, which is well underway. Improvements include stream restoration, the children's playground, new educational walk ways, and an arboretum. Work on the first phase of the City's bikeway/greenway trail on Front Street is nearing completion. Finally, the animal shelter is expected to be finished by the spring of 2020. This project will replace the deteriorating 57 year old intake facility and renovate the existing pet adoption center, bringing intake and adoption functions under one roof. The facility is designed to be flexible in use, increase customer service, and provide adequate housing facilities for the community's lost or homeless pets.

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

The City spent and/or allocated the following in 2018:

- Housing Rehabilitation-$80,308
- Public Facilities-$37,236
- Public Infrastructure-$62,919.63
- Public Service-$79,210.09
- Planning & Administration- $88,026.46

Housing Rehabilitation: The total CDBG expenditures for housing projects include the costs for lead-based painting hazards inspections and temporary relocations. Of the total expenditures for housing projects, the City spent $94,419 of its CDBG loan fund proceeds for 2 housing rehabilitations, which includes $3,650 for lead-based paint hazards inspections/remediation for houses. During the program year, the City used $49,081.17 of HOME funds (Rehab, Program Income, Match Funds, etc.) for housing rehabilitation projects. The City of Burlington also expended $19,045.82 of Urgent Repair Funds from the NC Housing Finance Agency and NC Homebuilder's Association.

Public Facilities: To date, the City has expended over $17,000 to renovate the roofs of two Ralph Scott Lifeservices locations. One other Ralph Scott Lifeservices location will be renovated as well --- a floor renovation. And, the City completed renovations at the Mayco and Sertoma buildings at North Park, expending an additional $8,335. The City will also install an indoor soccer field at the the CityGate Dream Center, using $65,642 of funds.

Public Infrastructure: The City completed its N. Church Street Sidewalk project, expending $62,919.63. The City has several projects underway, including: Clay Court/Clay Street Paving, Haw River Greenway Pedestrian Lane, Sharpe Road Pedestrian Crossing, and Phase 2 of North Park Renovations. All of these projects are expected to finish in fiscal year 2019-2020.

Public Services: The City expended $10,902.14 at the public library branch at the North Park Community Center. During the program year, the library circulated 5,018 materials for use in the library and in the patrons' homes, a slight decrease over the previous program year. For the program year, the door count at the branch library 24,160 patrons, 6 times the amount of patrons seen from the previous year.

The City expended $15,040 on Burlington Development Corporation's HOPE and STEPS programs. During the year four families (7 individuals) were served by the HOPE program (permanent supportive housing) and three families (12 individuals) by the STEPS (rapid re-housing) program.

The City also spent $15,040 to assist with the City's only homeless shelter, Allied Churches, to operate their Empowerment Center. During program year 2018, Allied Churches provided overnight shelter to 268 individuals, 58 families.

The City also invested $65,000 in the North Carolina Construction Training Partnership Program (CTP) to provide job training and job placement in the construction industry and housing assistance for low-income area residents. To date, 18 individuals completed the program, with 10 individuals gaining employment. The individuals also helped to rehab two houses this current program year.

The City funded the Exchange Club Family at $9,174.73, Residential Treatment Services $14,013.22, and CityGate Dream Center at $15,040.

Administration: The City expended $88,026.46 on Administration. The City used the money to fund the Community Development Technician position, as well as programmatic/planning needs.

Economic Development: The City allocated $100,000 to a business façade program to help businesses in the Maple Avenue Corridor, an area located within an Opportunity Zone boundaries.

The Community Development Division will also establish multiple projects for the upcoming fiscal year 2019-20.

(6) Plans for Debt Issuance

There are plans to continue the annual installment purchase agreement that provides funding for approximately $1 million to $2 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, 2018. This was the twentieth 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,

Hardin Watkins
City Manager

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

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Burlington

North Carolina

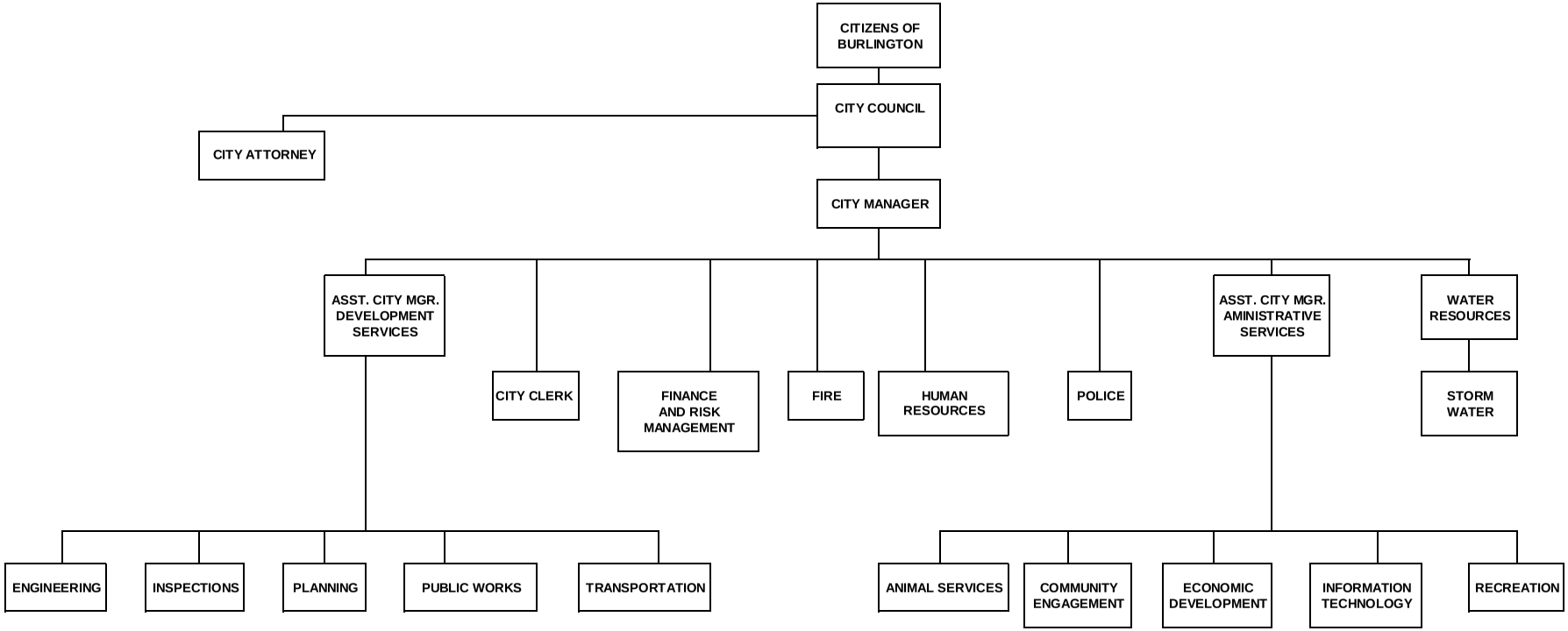
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

CITY OF BURLINGTON, NORTH CAROLINA
ORGANIZATIONAL CHART



CITY OF BURLINGTON

List of Principal Officials
For the Fiscal Year Ended June 30, 2019

City Manager	F. Hardin Watkins Jr.
City Attorney	David R. Huffman
Assistant City Manager Development Services	Nolan P. Kirkman
Assistant City Manager Administrative Services	Rachel Kelly
Water Resources Director	Robert Patterson, Jr.
Animal Services Director	Jess Arias
Deputy City Clerk	Beverly Smith
City Engineer	William T. Lambert
Director of Economic Development	Peter F. Bishop
Director of Finance and Risk Management	Peggy B. Reece, CPA
Fire Chief	Jay A. Smith
Human Resources Director	Jaime H. Joyner
Information Technology Director	Scott D. Bibler
Inspections	Jay L. Mebane
Planning & Community Development Director and Transportation Director	Mike Nunn
Police Chief	J. Jeffrey Smythe
Recreation & Parks Director	Anthony G. Laws

CITY OF BURLINGTON, NORTH CAROLINA

FEB. 14, 1893

STOUT
STUART
McGOWEN
& KING LLP

Certified Public Accountants

Advisors to Management

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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Member of PCPS, the AICPA Alliance For CPA Firms

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.

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Street Address:
1233 South Church Street
Burlington, NC 27215

336-226-7343
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e-mail: ssmk@ssmkllp.com

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, 2019, 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 Other Postemployment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios, on page 54, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions, on pages 49 and 50, respectively, the Firefighter's and Rescue Squad Workers' Pension Fund's Schedule of the Proportionate Share of Net Pension Liability on page 51 and the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll on pages 52 and 53 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 *Title 2 U.S. Code of Federal Regulations (CFR) Part 200,* Uniform Administrative Requirement*,* Cost Principles, and Audit Requirements for Federal Awards 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 November 21, 2019 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 & KING, LLP

November 21, 2019

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, 2019. 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 $281,978,441 (net position). Of this amount, $50,200,225 may be used to meet the City's ongoing obligations to citizens and creditors.

- The City's total net position decreased by $654,413 (0.23%) compared to fiscal year 2018. The governmental net position decreased by $4,548,682(4.7%) (due to implementation of GASB 75), and the business-type net position increased by $3,894,269 (2.1%).

- During the year, the City's governmental expenses were $61,873,838, an increase of $2,245,571, while expenses in the business-type activities were $28,866,118 an increase of $2,754,980.

- At the end of the current fiscal year, the City of Burlington's governmental funds reported combined ending fund balances of $50,329,943, a decrease of $3,728,379 in comparison with the prior year. Approximately $4,706,936 (or 9.4%) is available for spending, with $36,567,251 designated for specific purposes.

- As of year-end, the unassigned fund balance for the General Fund was $7,087,106, or 10.8% of total General Fund expenditures of $65,565,028.

- The General Fund budget for fiscal year ending 6/30/19 was adopted with a $.5973 per $100 assessed valuation tax rate.

- The City of Burlington's total long-term debt increased $990,773. There was an increase of $2,519,329 in the governmental activities and a decrease of $1,528,556 in the business-type activities.

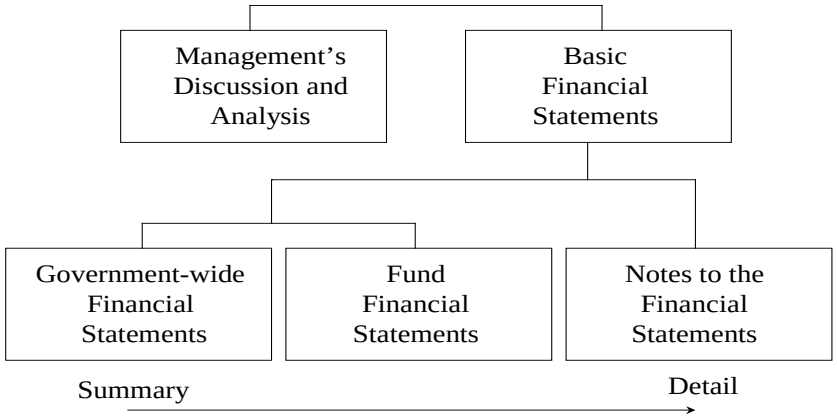
The City has maintained its GO bond rating with both Standard & Poor's Corporation at AA and Moody's at Aa2. Moody's most recent review of the City's GO Bonds occurred in April 2019 and the rating was confirmed at Aa2. The City has also maintained the same ratings on its 2011 and 2010 Revenue Bonds. The 2010 and 2011 Revenue Bonds were rated AA by Standard & Poor's Corporation in October 2014.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is 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 explains 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 3-6 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 7-10 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 11-48 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 49 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 $281,978,441 as of June 30, 2019. The City's net position decreased by $654,413 for the fiscal year ended June 30, 2019. There was a net decrease in the governmental net position which was offset by a net increase in the business-type net position. The majority of the decrease is due to the City determining that the loan receivables in the Home Program Fund were overstated. A prior period adjustment was made and net position decreased as a result by $4,514,677. Capital assets for governmental activities increased by $2.9 million while capital assets for business type activities decreased $4 million, yielding a net decrease in capital assets of $1.1 million. The largest portion of the total net position (64.2%) 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 (17.91%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $50,200,225 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 $7,087,106 as found on Exhibit 3.

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	
	2019	2018	2019	2018	2019	2018
ASSETS						
Current and other assets	$ 66,919,066	$ 72,566,331	$ 84,611,087	$ 78,382,823	$151,530,153	$ 150,949,154
Capital assets	72,199,389	69,258,958	143,865,112	147,893,892	216,064,501	217,152,850
Total assets	139,118,455	141,825,289	228,476,199	226,276,715	367,594,654	368,102,004
Deferred outflows of resources	11,019,521	7,883,702	1,844,771	1,285,973	12,864,292	9,169,675
LIABILITIES						
Current and other liabilities	9,620,775	7,130,546	6,929,725	6,871,393	16,550,500	14,001,939
Noncurrent liabilities	45,521,098	43,020,188	34,173,198	35,326,036	79,694,296	78,346,224
Total liabilities	55,141,873	50,150,734	41,102,923	42,197,429	96,244,796	92,348,163
Deferred inflows of resources	1,901,436	1,914,907	334,274	375,755	2,235,710	2,290,662
NET POSITION						
Net investment in capital assets	66,803,442	63,335,497	114,233,400	116,139,450	181,036,842	179,474,947
Restricted	18,886,043	17,333,258	31,855,331	28,736,279	50,741,374	46,069,537
Unrestricted	7,405,183	16,974,595	42,795,042	40,113,775	50,200,225	57,088,370
Total net position	$ 93,094,668	$ 97,643,350	$188,883,773	$184,989,504	$281,978,441	$ 282,632,854

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 $0.5973 per $100 assessed valuation. There was minimal growth in the property tax base due to new apartment complexes, businesses, and voluntary annexations.

- In 2014 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 tags for their vehicles. This method of collecting property taxes has proven to be very effective as individuals must now first pay their property taxes before receiving their new or renewed license tags. The City of Burlington has seen a steady growth in the amount of vehicle taxes collected, with 8.2% more collected in 2019 versus 2018.

- Continued diligence in the collection of property taxes results in the City maintaining a tax collection percentage of 98.7%, which is comparable to the statewide average of 99.23%.

- Sales tax revenues increased by 7.2%, continuing a trend from last year. This is attributed to the improvement in consumer confidence and also the lower unemployment rate, which translates into more consumer spendable dollars which leads to increased consumer spending.

The Capital Reserve Fund's Restricted Net Assets decreased by $1,458,746. There was $1,511,100 in expenses as transfers out to the following capital projects/equipment needs; sidewalks and intersection improvements, Greenway/Bikeway project and the Dentzel Carousel Restore project. The revenue to offset these capital expenditures were from interest income of $52,354.

Figure 3

City of Burlington's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for services	$ 7,541,705	$ 7,433,787	$ 33,159,654	$ 31,267,151	$ 40,701,359	$ 38,700,938
Operating grants & contributions	2,816,435	3,527,365	-	-	2,816,435	3,527,365
Capital grants & contributions	-	-	-	-	-	-
General Revenues:						
Property taxes, levied for general purpose	29,404,770	28,364,921	-	-	29,404,770	28,364,921
Other taxes	14,350,100	13,386,770	-	-	14,350,100	13,386,770
Grants and contributions not restricted to specific programs	4,805,898	4,474,051	-	-	4,805,898	4,474,051
Other	1,451,552	487,763	1,070,106	320,427	2,521,658	808,190
Total Revenues	60,370,460	57,674,657	34,229,760	31,587,578	94,600,220	89,262,235
Expenses:						
General government	9,124,412	8,575,711	-	-	9,124,412	8,575,711
Public safety	29,930,082	28,890,052	-	-	29,930,082	28,890,052
Public works	13,252,142	13,052,857	-	-	13,252,142	13,052,857
Economic and physical development	1,105,682	922,133	-	-	1,105,682	922,133
Cultural and recreation	8,366,409	8,119,854	-	-	8,366,409	8,119,854
Interest on long-term debt	95,111	67,660	-	-	95,111	67,660
Water and sewer			28,866,118	26,111,138	28,866,118	26,111,138
Total Expenses	61,873,838	59,628,267	28,866,118	26,111,138	90,739,956	85,739,405
Change in net position before transfers	(1,503,378)	(1,953,610)	5,363,642	5,476,440	3,860,264	3,522,830
Transfers	1,469,373	80,124	(1,469,373)	(460,626)	-	(380,502)
Increase (decrease) in net position	(34,005)	(1,873,486)	3,894,269	5,015,814	3,860,264	3,142,328
Net position-beginning	97,643,350	118,432,565	184,989,504	183,693,265	282,632,854	302,125,830
Prior period adjustments and restatements	(4,514,677)	(18,915,729)	-	(3,719,575)	(4,514,677)	(22,635,304)
Net position-beginning (re-stated)	93,128,673	99,516,836	184,989,504	179,973,690	278,118,177	279,490,526
Net position-ending	$ 93,094,668	$ 97,643,350	$ 188,883,773	$ 184,989,504	$281,978,441	$ 282,632,854

Governmental activities

Governmental activities decreased the City's net position by $4,548,682, whereas business type activities increased the City's net position by $3,894,269. The biggest factor affecting the City's net position is the prior period adjustment for the Home Program Fund for the overstatement of loans receivable.

Other items affecting the increases/decreases mentioned above are items that came from the following funds:

- Sales tax revenues increased approximately $963,330 over the prior year in the General Fund, maintaining the increase in sales tax from the last year, attributable to an overall favorable outlook on the economy by consumers.

- Property tax collections were up slightly over the prior year by $1,039,849 in the General Fund.
- Grants and contributions increased by $331,847. The increases can be primarily attributed to the following. The increases can be attributed one time grants received for police programs and for recreation programs. There were other minimum increases and decreases across the special revenue funds received in grant monies this year versus the prior year.

Other items affecting the changes in net position are below:

- 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 slightly less than expected and resulted in approximately $51,842 increase in net position.
- Miscellaneous revenue increased by $887,337. This is due primarily to the increase in interest income over the prior year.
- Charges for services increased by $107,918 in the Governmental Activities. The increases are due to various increases in both the Cultural and Recreational divisions and Economic and Physical Development.

Figure 4

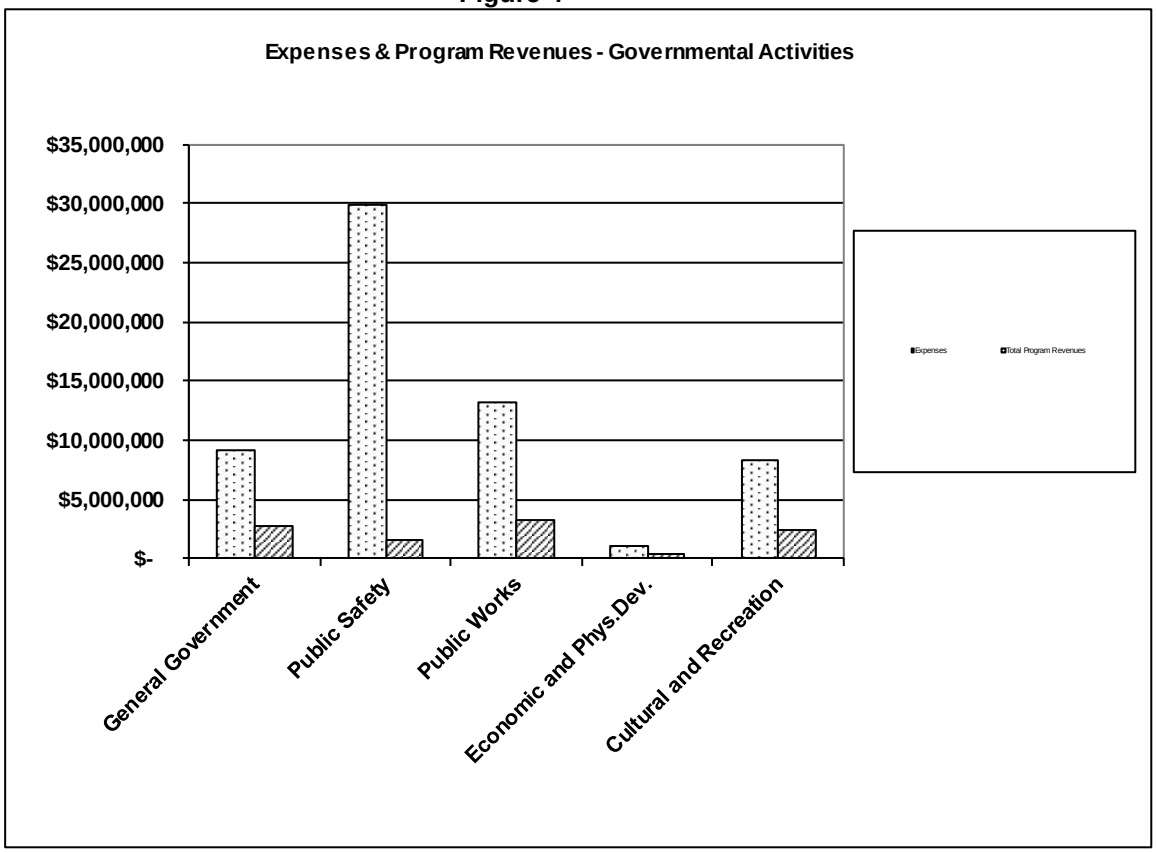
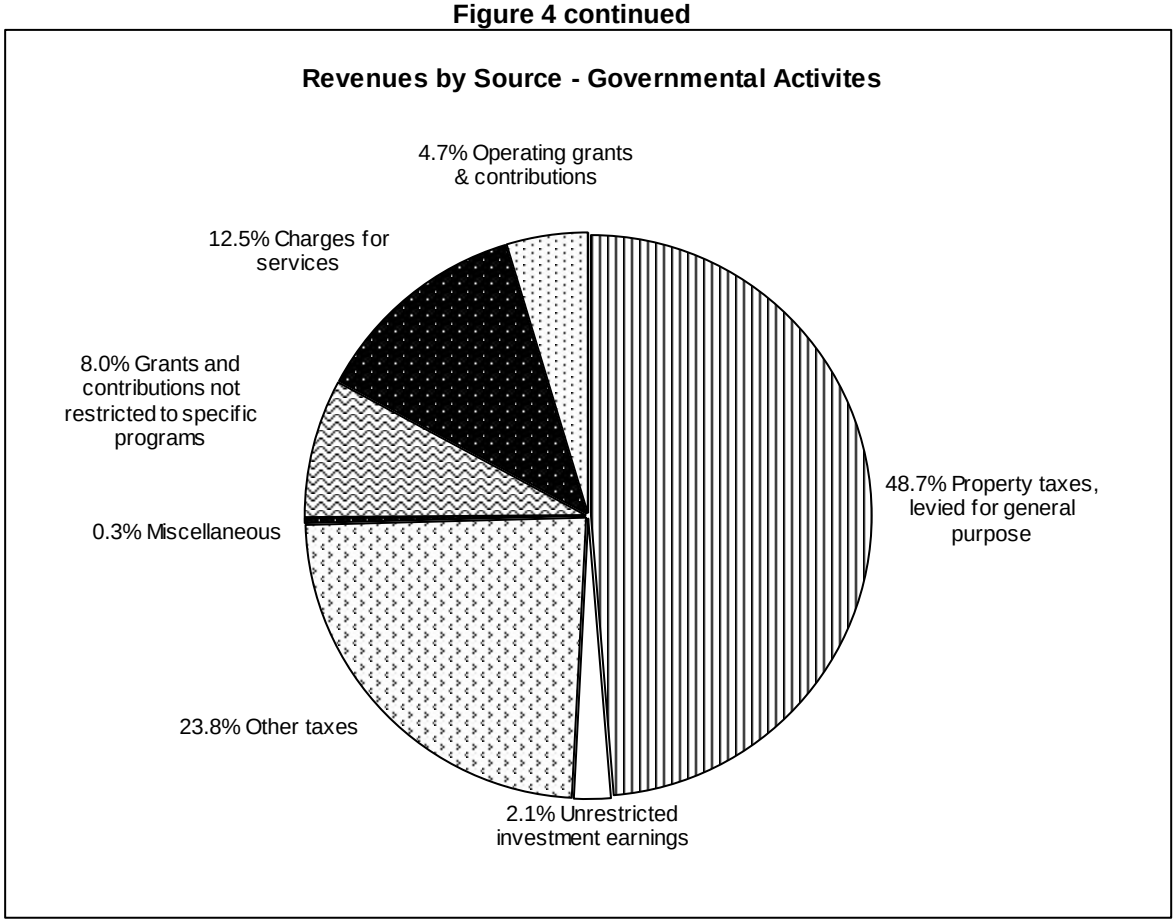


Figure 4 continued



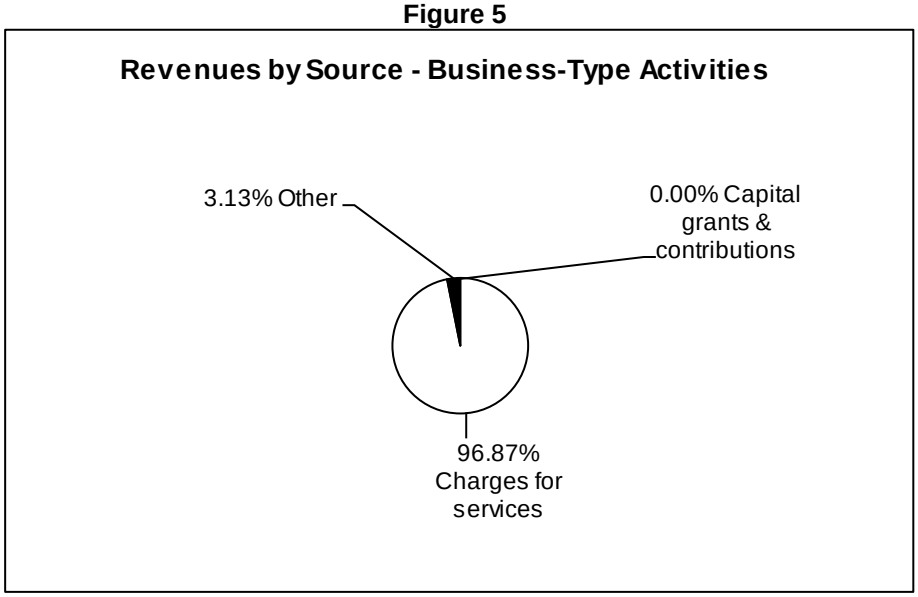
- Ad valorem taxes provided 48.77% of the revenues for governmental activities in the General Fund, with other taxes and licenses providing 23.8% of revenues in the General Fund also.
- Expenses increased approximately $5,390,223 or 9.04%. One contributor to this was the $457,993 increase in direct personnel costs to the City. With the City continuing to grow, health insurance expenses saw an increase of $932,692 and retirement expense saw an increase from the prior year by $103,148. Departmental supplies saw a net increase of $78,169. In efforts to prolong the life of city buildings/structures as well as modernize them, building maintenance and repairs had a net increase of $281,645. Professional services saw a net increase of $166,691. The last major component of the increase was due to maintenance and service contracts of $332,728. Of this increase, $104,924 is for the refurbishment of crosswalks. To combat the increases, there was a decrease to utilities of $115,949. In addition, equipment not capitalized had a net decrease of $62,294.

Business-type activities

Business-type activities increased the City of Burlington's net position by $3,894,269, accounting for all of the growth in the government's net position. (The growth in the business-type activities was offset by a slight decrease in governmental activities.) Key elements of the increase in net position include increases and decreases and are as follows:

- In fiscal year 2018-2019, business type activities revenues increased 8.4% for the Water Resources Fund. The first factor was due to a 2.0% rate increase instituted by the City of Burlington for the 2018-2019 fiscal year in the Water Resources Fund. The rate increase amounted to approximately a 2.0% 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.
- Another factor in the increase in revenues was due to an overall increase in consumption. Sales to the City of Greensboro increased also due to consumption.
- There was an increase in the pension liability of $1,170,388.
- The Transportation fund's expenses increased by $1.1 million from 2018 to 2019. This is primarily due a transfer to the transportation, sidewalk and intersection capital project fund in fiscal year 2019 for sidewalk construction/improvements.

Figure 5



- Expenses for business-type activities decreased $280,209 from the preceding year. Expenses directly related to personnel saw an increase of $709,339. Of this increase, the major contributing factors were as follows: Personnel services increased $356,602, group insurance increased $207,758, and retirement expenses saw an increase of $42,750. General operating expenses increased by $129,320. (With utilities expenses increasing $86,653, line maintenance and repair decreasing $59,117, lines materials decreasing $23,002, and equipment maintenance and repair increasing $66,692 – materials for taps and street patching increased $80,236 and professional services decreased $122,487.) Departmental supplies expenses decreased $23,743, automotive expenses decreased $48,263, fuel expense increased $32,057, chemical expenses decreased $25,303, and postage expenses for all departments decreased $1,293. Administration expenses experienced a net increase of $887,532. (With maintenance and service expenses increasing $650,797 – while permits and fees expenses decreased $10,870, fees for Greensboro sewer increased $55,215, and items purchased for resale increased by $40,772.) There was also a decrease of $91,229 in transfers out of the enterprise funds to capital project fund from the prior year. Principal and interest

expenses experienced a net decrease of $818,017, while depreciation expenses increased by $81,415.

- The City operates three enterprise funds: the Water Resources Fund that constitutes most of the business-type activities, the Storm Water Fund, and the Transportation 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 $7,087,106, while total fund balance reached $32,615,333. 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 10.8% of total General Fund expenditures.

At June 30, 2019, the governmental funds of the City of Burlington reported a combined fund balance of $50,329,943, a $3,728,379 decrease 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 $1,458,746, due to transfers to the several capital project funds including the Dentzel Carousel restoration, sidewalk improvements, and the Greenway/Bikeway paths project funds.
- The Public Safety Special Revenue Funds had a net decrease of fund balances by $160,216 after receiving monies from grants, new grant approvals, and expending the money on purchases in the current year.
- The Home Program, the Community Development Block Grant, and the Rental Rehabilitation Loan Programs when netted altogether, used and thus decreased fund balance by $373,583.
- There was a $4,616,053 decrease in fund balance in the General Fund as a result of actual revenues being less than actual expenses. This is due to having several budget amendments throughout the year that used appropriated fund balance. Some of the budget amendments were for the following: 1) transportation sidewalks and intersection improvements, 2) greenway and bikeway capital project fund, 3) and the Dentzel Carousel restoration.

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 $12,199,839 increase in appropriations, and the main items can be briefly summarized as follows:

- $2,154,740 capital equipment financed consisting of the annual computer replacements for employees, a dump truck, rear-load garbage truck, side-load garbage truck, passenger bus, 8 marked interceptor suv's, bucket truck and various other equipment.
- $1,211,367 for projects carried forwards from the prior year. Of which $546,907 was attributed to Fire Emergency Equipment for the replacement of an engine.
- $1,251,000 for improvements at the Athletic Stadium.
- $4,544,960 in year-end adjustments, the largest portion attributable to a transfer to Group Health Insurance Fund ($1,270,000) for insurance claims. In addition, police had direct increase in overtime ($500,000).
- Other major adjustments include $675,000 for sidewalk and $1,052,700 for the replacement of over 200 traffic signals.

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 97.34% collection rate rather than the actual 98.7% rate.
- Sales taxes were up $1,785,004 largely in part to an increase in consumer spending brought on by an increase in consumer confidence.
- Unrestricted intergovernmental revenues were up by a net of $322,713. Major contributors were: receiving more than expected for ABC revenue ($342,407), State shared franchise tax ($68,950) and Alamance County fuel purchase (down $93,975).
- General government actual expenditures were $597,778 under final amended budgeted expenditures. Largely in-part to the conservative approach taken by staff and budgeted items not being incurred. Legal expenses were $225,758 under budget, which can be attributed to the reduction in the need for (third-party) contracted legal services. The Planning department had $158,401 in unspent funds primarily due to an open full-time position and reduction in the need for professional services.
- Expenditures pertaining to Public Safety were $383,203 under final amended budgeted expenditures. Contributing factors were reductions in operating expenditures for Police, Animal Services and Fire.
- Public Works actual expenditures were $244,020 under final amended budgeted expenditures primarily due to a vacant position and capital expenditures not being expended.

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, Storm Water Fund and Public Transportation Fund combined at the end of the fiscal year amounted to $44,099,064. The total growth in net position was $4,206,845. 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, 2019, totals $216,064,501 (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 a decrease of $1,088,349. The capital asset decreases and increases are explained below. The OPEB and LEO pension liabilities decreased by $423,577

and $209,657 respectively while the LGERS pension liability increased by $4.4 million.

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

Governmental activities:

Governmental Capital Assets had a net increase of $2,940,431. The changes (outside of depreciation) are explained below:

- Infrastructure had a net decrease of $959,957. This decrease consisted of deprecation netted against approximately $20,300 in additions of improvements made for handicap parking and accessibility as well as the Farmers Market.
- Construction in progress had a net increase $5,068,502. The majority of the increase stems from the Animal Shelter at $2,873,485, Renovations to the Fairchild Stadium for $1,183,453, street resurfacing/patching and widening projects for $839,416, North Park Pool renovations for $100,838. Offsetting these increases were decreases in various projects that were started in the prior year were finished this fiscal year. Including renovation to Station 1 (Fire) for $38,813 and cummings generator for $34,500.
- Buildings had a net decrease of $1,131,435. The net decrease represents the proactive measures the City has taken over the years with maintenance and repairs in-order to preserve its buildings/structures.
- Equipment had a net decrease of $548,895. All of which was made up of purchases related to computer hardware and software, police in-car cameras and tasers, veterinary equipment and mowers.
- Vehicles had a net increase $512,216. The increase in vehicles is due to the purchase of: 13 police vehicles for $340,800, 1 fire-engine for $546,906, 1 side loader (sanitation) for $279,606. Offsetting the increase in vehicles is a decrease of $676,238 which represents the disposal value of used and worn out vehicles.

Business-type activities:

Business-type Capital Assets had a net decrease of $5,442,912. The changes are explained below:

- There was no change in Land costs.
- Buildings experienced a decrease of $2,412,168, primarily due to depreciation. Assets added were approximately $323,092, consisting of $73,604 for building repairs and upgrades, $38,500 for new clearwell surface joints, $130,341 for two clarifier drives, $42,000 for a launder cover, and $38,647 for a gear drive assembly.
- Infrastructure experienced a decrease of $2,764,138. Assets added were approximately $404,119, consisting of $21,040 for a new bus shelter, $316,229 for the I&I reduction project, $14,000 for pipe repair, and $52,850 for culvert replacements. These costs were offset by the depreciation amounts for new and existing assets.
- General equipment experienced a net increase of $193,523. Assets added were approximately $423,800, consisting of $59,235 for John Deere equipment, $148,602 for a technology impact and ROI assessment, $97,094 for an actuator valve replacement, $15,542 for booster pump, and $115,904 for other machinery. These costs were offset by the depreciation amounts for new and existing assets, as well as $12,577 in asset disposals.
- Vehicles experienced a net decrease of $460,129. Assets added were approximately $92,912, consisting of $27,398 for a large

conventional truck, and $65,514 for 3 conventional SUVs. These costs were offset by the depreciation amounts for new and existing assets, as well as $310,733 in asset disposals.

- Construction in progress experienced an increase of $1,414,131. The majority of this increase was due to $666,856 in various water line projects, $210,022 for the Lake Cammack restroom renovation project, $443,978 in lift station upgrades, and $300,093 for the Willowbrook Park restoration project. Offsetting these increases were the completion of a $255,977 sodium hypochlorite facility. This project is now considered to be complete.
- No major demolitions were recorded this year.

Figure 6

City of Burlington Capital Assets

(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	$ 8,628,374	$ 8,628,374	$ 6,945,444	$ 6,945,444	$ 15,573,818	$ 15,573,818
Buildings and system	25,793,394	26,924,829	42,875,120	45,287,288	68,668,514	72,212,117
Improvements other than buildings	-	-	87,933,525	90,783,034	87,933,525	90,783,034
Machinery and equipment	3,981,673	4,530,568	1,889,008	1,695,485	5,870,681	6,226,053
Infrastructure	17,126,302	18,086,259	179,432	94,061	17,305,734	18,180,320
Vehicles and motorized equipment	9,397,530	8,885,314	1,838,215	2,298,344	11,235,745	11,183,658
Construction in progress	7,272,116	2,203,614	2,204,368	790,236	9,476,484	2,993,850
Total	$ 72,199,389	$ 69,258,958	$143,865,112	$147,893,892	$216,064,501	$217,152,850

Additional information on the City's capital assets can be found in note III.4 of the Basic Financial Statements on pages 23-25.

Long-term debt: As of June 30, 2019, the City of Burlington had total bonded debt outstanding of $32,989,777. Of this amount, all is backed by the full faith and credit of the City.

Figure 7

City of Burlington's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	$ 3,414,000	$ 3,940,000	$ -	$ 399,000	$ 3,414,000	$ 4,339,000
Installment purchases	2,089,559	1,983,462	-	-	2,089,559	1,983,462
Revenue bonds	-	-	29,575,777	31,287,839	29,575,777	31,287,839
Compensated absences	2,553,052	2,789,614	269,776	299,530	2,822,828	3,089,144
OPEB liability	23,560,997	23,920,377	4,256,001	4,320,198	27,816,998	28,240,575
Net pension liability (LGERS)	10,181,094	6,436,263	1,839,088	1,162,631	12,020,182	7,598,894
Total pension liability (LEO)	6,296,757	6,506,414	-	-	6,296,757	6,506,414
Total	$ 48,095,459	$ 45,576,130	$ 35,940,642	$ 37,469,198	$ 84,036,101	$ 83,045,328

The City of Burlington's total debt increased by $990,773 (1.2%) during the past fiscal year. The majority of this increase ($4,421,288) comes from the increase in the City's net pension liability for the Local Government Retirement System. Offsetting the increases in the net pension liabilities are the decreases ($475,973) in compensated absences and total pension liability (LEO) for governmental activities. The City issued $2,154,740 in installment financings, bearing an interest rate of 2.620%, to acquire certain vehicles and other equipment for general government uses, to be paid back over a 3-year period.

As mentioned in the financial highlights of this document, the City of Burlington has maintained its bond ratings of Aa2 by Moody's Investor Services in a review in May 2019.

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 $394,688,749. The City has no bonds authorized but un-issued at June 30, 2019.

Additional information regarding the City of Burlington's long-term debt can be found in note III.6, beginning on page 40 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 3.95%, the rate has fallen to 3.76% in Alamance County, where the City of Burlington is located. This rate is comparable to the US average of 3.78 and slightly below the state average of 3.94%.
- Interest rates on certificates of deposit, commercial paper, etc. averaged 2.07%, a 56.8% increase over last fiscal year. The economy is continuing its growth pattern.
- Commercial construction permits decreased from 1,127 permits issued in the prior year to 997 issued for the fiscal year ending 6/30/19.

Residential construction permits increased from 3,907 in the prior year to 4,488.

- The City's largest taxpayer, Laboratory Corporation of America (LabCorp) continues to grow. The company posted net revenue of $2.88 billion for the quarter ending 6/30/19, up 0.5% over last year.

BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2019

Governmental activities: General Fund revenues are budgeted for a $3.95 million increase over the prior year's budget. Property taxes are projected at a net $1,313,409 increase (33% of total revenue increase). The increase in property taxes stems from taking a more aggressive approach in collecting taxes as well as growth in property values (from increases in construction of new properties residential and business) and discoveries. Sales tax has been projected to increase by another $1,900,785 or (48% of total revenue increase). The amount of sales tax budgeted, even though increased, is still slightly below actual sales tax received in the prior year. Increases in fees charged make up the remaining increases in revenues. If job numbers continue to come in as they have in past few months, and GDP remains steady, then economists are projecting that these and other factors are strong indicators that the Federal Reserve Board will not have any further interest rate cuts in December, thus interest earnings are projected to be maintined. The City continues to participate in performance measurement analysis. Specifically looking at indirect costs, 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 $3.95 million when comparing the General Fund expenditures to the prior year. The largest portion of the increase ($2,224,391) is due to personnel costs and is for five reasons. First, 3 new positions were approved, one in public works, one for economic development, and one for recreation. Second, there was an average 2% merit pay increase approved by Council. Third, the Local Government Retirement System increased mandatory employer contributions by the City. Fourth, Council implemented a new police planned progression system pay plan for continuity in the police department. Fifth, Council has decided to have a classification study done for one third of the staff each year. Other increases in the budget are as follows: $1.3 million in capital purchased, $84,652 increase in police operations, $82,436 increase in professional services, and $206,663 increase in maintenance & service contracts, and a $154,000 increase in contributions to the public transportation fund.

Business–type activities: Total revenue is projected to increase by 2.0% over the previous fiscal year. The majority of the increase is due to a 2% increase in water and sewer rates for fiscal year ending June 30, 2019 over the prior fiscal year ending June 30, 2018. 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 2.2% over the previous fiscal year. In the next year's budget, there is an increase in costs for capital expenditures in the amount of $987,000. Other increases are personnel costs due to an average 2% merit approved by Council by $133,222, and an increase in repairs and maintenance for $57,800. Offsetting these increases is a decrease in debt of $439,990 and a decrease in transfers to the water and sewer capital reserves by $225,000.

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

Exhibit 1

City of Burlington, North Carolina
Statement of Net Position
June 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Burlington Downtown Corporation
ASSETS				
Current assets:				
Cash and cash equivalents	$ 46,201,350	$ 75,471,616	$ 121,672,966	$ 192,790
Taxes receivables (net)	837,730	-	837,730	27,325
Accrued interest receivable on taxes	558,594	-	558,594	-
Accounts receivable (net)	18,017,370	8,480,290	26,497,660	18,913
Internal balances	1,304,022	(1,304,022)	-	-
Inventories	-	1,423,719	1,423,719	-
Prepaid items	-	3,600	3,600	-
Restricted assets:				
Cash and cash equivalents	-	535,884	535,884	-
Total current assets	66,919,066	84,611,087	151,530,153	239,028
Capital assets (Note 1):				
Land, non-depreciable improvements, and construction in progress	15,900,490	9,149,812	25,050,302	-
Other capital assets, net of depreciation	56,298,899	134,715,300	191,014,199	-
Total noncurrent assets	72,199,389	143,865,112	216,064,501	-
Total assets	$ 139,118,455	$ 228,476,199	$ 367,594,654	$ 239,028
DEFFERRED OUTFLOWS OF RESOURCES				
Pension deferrals	$ 8,679,209	$ 1,422,023	$ 10,101,232	-
OPEB deferrals	$ 2,340,312	422,748	2,763,060	-
Total deferred outflows of resources	$ 11,019,521	$ 1,844,771	$ 12,864,292	$ -
LIABILITIES				
Current liabilities:				
Accounts payable	$ 6,935,629	$ 3,150,014	$ 10,085,643	$ 33,085
Accrued interest payable	110,785	1,476,383	1,587,168	-
Customer deposit	-	535,884	535,884	-
Payable from restricted assets	-	-	-	-
Current portion of long-term liabilities	2,574,361	1,767,444	4,341,805	-
Total current liabilities	9,620,775	6,929,725	16,550,500	33,085
Noncurrent liablities:				
Net pension liability - LGERS	10,181,094	1,839,088	12,020,182	-
Net pension liability - LEO	6,296,757	-	6,296,757	-
OPEB liability	23,560,997	4,256,001	27,816,998	-
Due in more than one year	5,482,250	28,078,109	33,560,359	-
Total noncurrent liabilities	45,521,098	34,173,198	79,694,296	-
Total liabilities	55,141,873	41,102,923	96,244,796	33,085
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on refunding	107,612	55,935	163,547	-
Pension deferrals	347,556	17,089	364,645	-
OPEB deferrals	1,446,268	261,250	1,707,518	-
Total deferred inflows of resources	1,901,436	334,274	2,235,710	-
NET POSITION				
Net Investment in capital assets	66,803,442	114,233,400	181,036,842	-
Restricted for:				
Capital projects	6,208,037	31,855,331	38,063,368	-
Public safety	502,777	-	502,777	-
Economic development	3,173,053	-	3,173,053	-
Stabilization by State Statute	9,002,176	-	9,002,176	-
Unrestricted	7,405,183	42,795,042	50,200,225	205,943
Total net position	$ 93,094,668	$ 188,883,773	$ 281,978,441	$ 205,943

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, 2019

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**	**Component Unit**
Primary government:								
Governmental Activities:								
General government	$ 9,124,412	$ 2,556,065	$ 146,223	$ -	$ (6,422,124)	$ -	$ (6,422,124)	$ -
Public safety	29,930,082	940,959	624,424	-	(28,364,699)	-	(28,364,699)	-
Public works	13,252,142	1,390,130	1,825,488	-	(10,036,524)	-	(10,036,524)	-
Economic and physical development	1,105,682	417,547	-	-	(688,135)	-	(688,135)	-
Cultural and recreation	8,366,409	2,237,004	220,300	-	(5,909,105)	-	(5,909,105)	-
Interest on long-term debt	95,111	-	-	-	(95,111)	-	(95,111)	
Total governmental activities (See Note 1)	61,873,838	7,541,705	2,816,435	-	(51,515,698)	-	(51,515,698)	-
Business-type activities:								
Non-major enterprise funds	2,355,000	2,101,673	-	-	-	(253,327)	(253,327)	-
Water and sewer	26,511,118	31,057,981	-	-	-	4,546,863	4,546,863	-
Total business-type activities	28,866,118	33,159,654	-	-	-	4,293,536	4,293,536	-
Total primary government	$ 90,739,956	$ 40,701,359	$ 2,816,435	$ -	$ (51,515,698)	$ 4,293,536	$ (47,222,162)	$ -
Component unit:								
Burlington Downtown Corporation	$ 249,329	$ 144,322	$ 106,760	$ -	$ -	$ -	$ -	1,753
Total component units	$ 249,329	$ 144,322	$ 106,760	$ -	$ -	$ -	$ -	$ 1,753
General revenues:								
Taxes:								
Property taxes, levied for general purpose					29,404,770	-	29,404,770	-
Local options sales tax					14,147,204	-	14,147,204	-
Other taxes and licenses					202,896	-	202,896	-
Grants and contributions not restricted to specific programs					4,805,898	-	4,805,898	-
Unrestricted investment earnings					1,273,543	1,070,106	2,343,649	95
Miscellaneous					178,009	-	178,009	-
Transfers					1,469,373	(1,469,373)	-	-
Total general revenues, special items, and transfers					51,481,693	(399,267)	51,082,426	95
Change in net position					(34,005)	3,894,269	3,860,264	1,848
Total net position previously reported					97,643,350	184,989,504	282,632,854	204,095
Restatement					(4,514,677)	-	(4,514,677)	-
Total net position-beginning					93,128,673	184,989,504	278,118,177	204,095
Net position-ending					$ 93,094,668	$ 188,883,773	$ 281,978,441	$ 205,943

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

Exhibit 3

City of Burlington, North Carolina
Balance Sheet
Governmental Funds
June 30, 2019

	MAJOR FUND			
	General	HOME Program Project Fund	Total Non-Major Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 27,764,308	$ 374,754	$ 10,223,485	$ 38,362,547
Restricted cash	4,004,732	-	-	4,004,732
Receivables, net:				
Taxes	774,752	-	62,978	837,730
Accounts	8,439,586	-	186,750	8,626,336
Housing rehabilitation loans	-	-	1,819,661	1,819,661
Home incentive loans	-	6,156,128	31,999	6,188,127
Prepaid items	-	-	-	-
Total assets	$ 40,983,378	$ 6,530,882	$ 12,324,873	$ 59,839,133
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	$ 3,517,189	$ -	$ 2,441,006	$ 5,958,195
Total liabilities	3,517,189	-	2,441,006	5,958,195
Deferred Inflows of Resources				
Property taxes receivable	803,641	-	-	803,641
Deferred revenue	-	2,684,376	62,978	2,747,354
Total deferred inflows of resources	803,641	2,684,376	62,978	3,550,995
Fund balances:				
Restricted:				
Stabilization by State Statute	9,002,176	-	53,580	9,055,756
Historic Books	1,418	-	-	1,418
Animal Shelter	5,562	-	-	5,562
Economic Development	-	3,650,324	2,947,093	6,597,417
Public Safety	-	-	408,917	408,917
Committed:				
Capital Improvements	-	-	8,493,087	8,493,087
Capital Reserve Fund	4,047,215	-	-	4,047,215
Assigned				
Subsequent Years Expenditures	1,636,986	196,182	298,382	2,131,550
General Government	4,316,000	-	-	4,316,000
Parks and Recreation	1,694,353	-	-	1,694,353
Public Safety	5,950,000	-	-	5,950,000
Economic Development	3,000,000	-	-	3,000,000
Public Works	1,172,300	-	-	1,172,300
Unassigned	5,836,538	-	(2,380,170)	3,456,368
Total fund balances	36,662,548	3,846,506	9,820,889	50,329,943
Total liabilities and fund balances	$ 40,983,378	$ 6,530,882	$ 12,324,873	

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 - $136,488,207 Accumulated depreciation - ($64,288,818.00)	72,199,389
Deferred outflows of resources related to pensions are not reported in the funds.	11,019,521
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	558,594
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	1,304,022
Liabilities for earned revenues considered deferred inflows of resources in fund statements.	3,550,995
Deferred inflows of resources related to pensions are not reported in the funds.	(1,793,824)
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.	4,239,884
Net pension liability - LGERS	(10,181,094)
Other long-term debt (post employment benefits) are not due and therefore are not reported in the funds.	(23,560,997)
Net pension liability - LEO	(6,296,757)
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-$3,414,000 installment purchases-$2,089,562 Compensated absences-$2,553,052, accrued interest-$110,785 and bond issuance cost $107,612.	(8,275,008)
Net position of governmental activities	$ 93,094,668

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

Exhibit 4

City of Burlington
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2019

	MAJOR FUND			
	General Fund	HOME Program Project Fund	Total Non-Major Funds	Total Governmental Funds
REVENUES				
Ad valorem taxes	$ 29,337,916	$ -	$ 144,352	$ 29,482,268
Other taxes and licenses	14,150,569	-	-	14,150,569
Unrestricted intergovernmental	5,177,713	-	150,277	5,327,990
Restricted intergovernmenal	3,088,069	-	1,198,761	4,286,830
Permits and fees	1,359,289	-	-	1,359,289
Sales and services	4,076,974	-	39,699	4,116,673
Investment earnings	1,260,095	-	9,076	1,269,171
Miscellaneous	361,576	63,157	12,360	437,093
Total revenues	58,812,201	63,157	1,554,525	60,429,883
EXPENDITURES				
Current:				
General government	8,108,390	-	-	8,108,390
Public safety	26,692,695	-	748,858	27,441,553
Public works	10,668,069	-	-	10,668,069
Economic and physical development	-	(33,429)	991,456	958,027
Culture and recreation	6,955,375	-	175,491	7,130,866
Debt service:				
Principal	2,574,643	-	-	2,574,643
Interest and other charges	100,474	-	-	100,474
Capital outlay	5,563,161	-	3,236,580	8,799,741
Total expenditures	60,662,807	(33,429)	5,152,385	65,781,763
Excess (deficiency) of revenues over expenditures	(1,850,606)	96,586	(3,597,860)	(5,351,880)
				-
OTHER FINANCING SOURCES (USES)				-
Transfers from other funds	70,014	-	5,847,694	5,917,708
Transfers to other funds	(6,448,950)	-	-	(6,448,950)
Issuance of installment purchase	2,154,743	-	-	2,154,743
				-
Total other financing sources (uses)	(4,224,193)	-	5,847,694	1,623,501
Net change in fund balance	(6,074,799)	96,586	2,249,834	(3,728,379)
Fund balances-beginning	42,737,347	3,749,920	7,571,055	54,058,322
Prior period adjustment	-	-	-	-
Fund balances-beginning adjusted	42,737,347	3,749,920	7,571,055	54,058,322
Fund balances-ending	$ 36,662,548	$ 3,846,506	$ 9,820,889	$ 50,329,943

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, 2019

Amounts reported for governmental activities in the statement of activities are different because:		
Net changes in fund balances - total governmental funds	$	(3,728,379)
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 capial outlay-$7,641,279 exceeded depreciation-($4,700,848).		2,940,431
Contibutions to the pension plan in the current fiscal year are not included on the Statement of Activities		2,435,807
OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities		1,921,243
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in deferred revenue for economic development loans receivable		355,043
Change in accrued interest receivable		117,830
Change in unavailable revenue for tax revenues		512,917
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-($2,154,740), principal expenditures- $2,574,643 change in accrued interest payable- $10,010 and net change ammortization $15,373.		445,286
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.		
Pension expense		(5,527,206)
Net pension obligation LEO		209,657
Compensated absences		236,562
Other post employment benefits		359,380
Net revenue of internal service funds determined to be governmental-type.		(312,576)
Total changes in net position of governmental activities	$	(34,005)

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

Exhibit 5

City of Burlington
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2019

	General Fund			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Ad valorem taxes	$ 27,639,492	$ 27,639,492	$ 29,337,916	$ 1,698,424
Other taxes and licenses	12,396,419	12,396,419	14,150,568	1,754,149
Unrestricted intergovernmental	4,855,000	4,855,000	5,177,713	322,713
Restricted intergovernmenal	2,515,100	2,944,569	3,052,438	107,869
Permits and fees	1,347,300	1,347,300	1,359,289	11,989
Sales and services	4,380,139	4,489,899	4,076,974	(412,925)
Investment earnings	400,000	400,000	1,207,741	807,741
Miscellaneous	123,000	288,750	361,576	72,826
Total revenues	53,656,450	54,361,429	58,724,215	4,362,786
Expenditures:				
Current:				
General government	9,323,147	14,766,432	13,708,654	1,057,778
Public safety	25,826,851	28,505,574	28,086,745	418,829
Public works	11,101,347	12,741,003	12,409,331	331,672
Cultural and recreation	6,453,572	8,854,847	8,685,181	169,666
Principal retirement	2,537,743	2,574,643	2,574,643	-
Interest and other charges	100,776	100,776	100,474	302
Total expenditures	55,343,436	67,543,275	65,565,028	1,978,247
Revenues over (under) expenditures	(1,686,986)	(13,181,846)	(6,840,813)	6,341,033
Other financing sources (uses):				
Transfers from other funds	-	2,154,740	2,154,743	3
Transfers to other funds	-	-	-	-
Sale of properties and materials	50,000	50,000	70,017	20,017
Installment financing	-	-	-	-
				-
Total other financing sources (uses)	50,000	2,204,740	2,224,760	20,020
Revenues and other financing sources over (under) expenditures and other financing uses	(1,636,986)	(10,977,106)	(4,616,053)	$ 6,361,053
Fund balances appropriated	1,636,986	10,977,106		
Fund balances, beginning of year	-	-	37,231,386	
Fund balances, end of year	$ -	$ -	$ 32,615,333	
A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Interest Income			$ 52,354	
Transfer from General Fund			-	
Transfer from other funds			-	
Transfer to other funds			(1,511,100)	
Fund balance beginning			5,505,961	
Fund Balance Ending (Exhibit 4)			$ 36,662,548	

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

Exhibit 6

City of Burlington
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-Type Activities			
	Water and Sewer Fund	**Non-Major Enterprise Funds**	**Total**	**Internal Service Funds**
ASSETS				
Cash and cash equivalents	$ 71,697,928	$ 3,773,688	$ 75,471,616	$ 3,834,071
Accounts receivable (net) - billed	5,918,382	276,444	6,194,826	265,032
Accounts receivable (net) - unbilled	2,285,464	-	2,285,464	-
Prepaid assets	3,600	-	3,600	-
Inventories	1,423,719	-	1,423,719	-
Restricted assets:				
Cash and cash equivalents	535,884	-	535,884	-
Total current assets	81,864,977	4,050,132	85,915,109	4,099,103
Capital assets:				
Land and other non-depreciable assets	8,747,177	402,635	9,149,812	-
Other capital assets, net of depreciation	133,648,548	1,066,752	134,715,300	-
Capital assets (net)	142,395,725	1,469,387	143,865,112	-
Total noncurrent assets	142,395,725	1,469,387	143,865,112	-
Total assets	$ 224,260,702	$ 5,519,519	$ 229,780,221	$ 4,099,103
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferrals	$ 1,407,803	$ 14,220	$ 1,422,023	$ -
OPEB deferrals	422,748	-	422,748	
Total deferred outflows of resources	$ 1,830,551	$ 14,220	$ 1,844,771	$ -
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	$ 1,884,977	$ 2,741,420	$ 4,626,397	$ 977,089
Due to other funds	-	-	-	-
Compensated absences - current	64,030	3,414	67,444	-
Other postemployment benefits	-	-	-	
General obligation bonds payable-current	-	-	-	-
Revenue bonds payable	1,700,000	-	1,700,000	-
Liabilities payable from restricted assets:				
Customer deposits	535,884	-	535,884	-
Total current liabilities	4,184,891	2,744,834	6,929,725	977,089
Noncurrent liabilities:				
Other noncurrent liabilities:				
Pension liability	1,820,697	18,391	1,839,088	
OPEB liability	4,256,001	-	4,256,001	
Compensated absences	192,089	10,243	202,332	-
General obligation bonds payable-noncurrent (net)	-	-	-	
Revenue bonds payable	27,875,777	-	27,875,777	
Total noncurrent liabilities	34,144,564	28,634	34,173,198	-
Total liabilities	38,329,455	2,773,468	41,102,923	977,089
DEFERRED INFLOWS OF RESOURCES				
Pension deferrals	16,918	171	17,089	-
OPEB deferrals	261,250	-	261,250	
Deferred gain on refunding	55,935	-	55,935	
Total deferred inflows of resources	334,103	171	334,274	-
NET POSITION				
Net investment in capital assets	112,764,013	1,469,387	114,233,400	
Restricted for Capital projects	31,855,331	-	31,855,331	
Unrestricted	42,808,351	1,290,713	44,099,064	3,122,014
			-	
Total net position	$ 187,427,695	$ 2,760,100	190,187,795	$ 3,122,014
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			(1,304,022)	
Net position of business-type activities			$ 188,883,773	

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, 2019

	Business-Type Activities			Governmental Activities-
	Water and Sewer Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services	$ 30,691,669	$ 1,223,559	$ 31,915,228	$ 8,014,968
Other operating revenues	366,312	878,114	1,244,426	-
Total operating revenues	31,057,981	2,101,673	33,159,654	8,014,968
OPERATING EXPENSES				
Building and administrative	3,666,897	-	3,666,897	490,362
Customer services	1,617,771	2,050,218	3,667,989	125,423
Supervision - lines	381,145	-	381,145	-
Line maintenance and repairs	1,262,494	-	1,262,494	-
Line services and construction	652,960	-	652,960	-
Supervision - treatment	699,920	-	699,920	-
Water source of supply	251,811	-	251,811	-
Water plant operations	3,027,416	-	3,027,416	-
Sewage treatment plant operations	4,748,183	-	4,748,183	-
Laboratories	542,270	-	542,270	-
Plants maintenance	1,031,877	-	1,031,877	-
Lakes and marinas	493,146	-	493,146	-
Depreciation	6,394,630	304,782	6,699,412	-
Claims paid, excess loss coverage and claims administration	-	-	-	9,442,159
Total operating expenses	24,770,520	2,355,000	27,125,520	10,057,944
Operating income (loss)	6,287,461	(253,327)	6,034,134	(2,042,976)
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	1,032,088	38,018	1,070,106	24,189
Interest and other charges	(1,428,022)	-	(1,428,022)	-
Total nonoperating revenue (expenses)	(395,934)	38,018	(357,916)	24,189
Income (loss) before contributions and transfers	5,891,527	(215,309)	5,676,218	(2,018,787)
Capital contributions	-	-	-	-
Transfers to other funds	(771,926)	(950,800)	(1,722,726)	-
Transfers from other funds	-	253,353	253,353	2,070,629
Change in net position	5,119,601	(912,756)	4,206,845	51,842
Total net position - beginning	18,308,094	3,672,856		3,070,172
Total net position - ending	$ 23,427,695	$ 2,760,100		$ 3,122,014
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			(312,576)	
Change in net position - business-type activities			$ 3,894,269	

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

CITY OF BURLINGTON, NORTH CAROLINA

FEB. 14, 1893

Exhibit 8

City of Burlington
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2019

	Enterprise Funds			
	Water and Sewer Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 29,418,078	$ 2,416,719	$ 31,834,797	$ 7,970,872
Cash paid for goods and services	(10,776,442)	(633,456)	(11,409,898)	(9,591,180)
Cash paid to or on behalf of employees for services	(7,188,905)	(526,011)	(7,714,916)	(490,362)
Net cash provided (used) by operating activities	11,452,731	1,257,252	12,709,983	(2,110,670)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
(Increase) decrease in interfund payables	356,294	(356,294)	-	-
Transfers from other funds	-	253,353	253,353	2,070,629
Transfers to other funds	(771,926)	(950,800)	(1,722,726)	-
Total cash flows provided (used) by noncapital financing activities	(415,632)	(1,053,741)	(1,469,373)	2,070,629
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(2,558,574)	(376,535)	(2,935,109)	-
Principal paid on bond maturities	(2,068,557)	-	(2,068,557)	-
Interest and fees paid on debt maturities	(1,286,462)	-	(1,286,462)	-
Net cash used by capital and related financing activities	(5,913,593)	(376,535)	(6,290,128)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	1,032,088	35,732	1,067,820	24,189
Net increase (decrease) in cash and cash equivalents	6,155,594	(137,292)	6,018,302	(15,852)
Balances-beginning of the year	66,077,658	3,910,980	69,988,638	3,849,923
Balances-end of the year	$ 72,233,252	$ 3,773,688	$ 76,006,940	$ 3,834,071
Reconciliation of Cash and Cash Equivalents:				
Cash and Cash Equivalents - Current	$ 71,697,928	$ 3,773,688	$ 75,471,616	$ 3,834,070
Cash and Cash Equivalents - Restricted	535,884	-	535,884	-
Total Cash and Cash Equivalents - June 30, 2019	$ 72,233,812	$ 3,773,688	$ 76,007,500	$ 3,834,070

(continued)

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

Exhibit 8
(continued)

City of Burlington
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2019

	Water and Sewer Fund	Non-Major Enterprise Funds	Total	Internal Service Fund
Reconciliation of operating income to net cash provided by operating activities				
Operating income (loss)	$ 6,287,461	$ (253,327)	$ 6,034,134	$ (2,042,976)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	6,394,630	304,782	6,699,412	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(646,113)	315,046	(331,067)	(44,096)
Decrease in net pension asset	-	-	-	-
(Increase) decrease in deferred outflows of resources pensions	(526,032)	(5,313)	(531,345)	-
Decrease in net pension liablity	669,692	6,765	676,457	-
Decrease in deferred inflows of resources-pension	27,453	(321)	27,132	-
Increase(decrease) in accounts payable and accrued liabilities	(436,248)	878,958	442,710	(23,598)
Increase (decrease) in accrued vacation pay	(40,416)	10,662	(29,754)	-
Increase in deferred outflows of resources - OPEB	(27,453)	-	(27,453)	-
Increase in deferred inflows of resources - OPEB	2,319	-	2,319	-
Decrease in OPEB libility	(64,197)	-	(64,197)	-
Increase in customer deposits	260	-	260	-
Total adjustments	5,165,270	1,510,579	6,675,849	(67,694)
Net cash provided (used) by operating activities	$ 11,452,731	$ 1,257,252	$ 12,709,983	$ (2,110,670)
Noncash contributions of capital assets	$ -	$ -	$ -	$ -

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, 2019

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, which also includes the internal service funds. 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 thirteen 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 , Bureau of Justice Assistance Community Oriented Policing Grant Fund and the Governor's Crime Commission Human Trafficking Grant.

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 3 projects at this time.

The City reports the following major enterprise fund:

Water and Sewer Fund. This fund is used to account for the City's 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:

Public Transportation Fund. This fund is used to account for the City of Burlington's public transportation system. The fund is supported with federal grants, donations, contributions from participating local governments, and contributions from the City of Burlington.

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. Issuance 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. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. 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.

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.

E. Assets, Liabilities, and Deferred Oultflows/Inflows of Resources 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

I. Summary of Significant Accounting Policies: (continued)

Downtown Corporation may establish time deposit accounts such as 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. Non-participating interest earning contracts are accounted for at cost. The NCCMT-Government Portfolio, a SEC registered (2a-7) external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT- Term Portfolio is bond fund, has no rating and is measured at fair value. As of June 30, 2019, The Term portfolio has a duration of .11 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

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

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 Resources Fund	
Customer deposits	$ 535,884
Total Business-type Activities	$ 535,884
Total Restricted Cash	$ 535,884

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, 2018. 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.

I. Summary of Significant Accounting Policies: (continued)

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, $5000. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. 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:

Asset Class	Estimated Useful Lives
Infrastructure	50
Buildings	40
Improvements	40
Vehicles	7
Furniture and equipment	10
Computer equipment	3

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 2019 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, deferred gain on refunding, property taxes receivable and pension deferrals.

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 position. 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 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.

The City'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 the City has no 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 statue.

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 - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

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 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 – The 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.

I. Summary of Significant Accounting Policies: (continued)

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 the General Fund fund balance that the City of Burlington intends to use for specific purposes for the General Fund. The City of Burlington's City Council designated to the City Manager the authority to make assigned fund balance appropriations as part of the City of Burlington's fund balance policy.

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, 2019 the Public Transportation Fund had a deficit of $2,152,536 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. 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, 2019, the City's deposits had a carrying amount of $8,616,563 and a bank balance of $9,927,204. 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 $192,791 and the bank balance was $192,791. All of the bank balance was covered by federal depository insurance. At June 30, 2019, the City's petty cash fund totaled $5,090.

III. Detail Notes on All Funds: (continued)

2. Investments

At June 30, 2019, the City's investments were as follows:

Investment Type	Valuation Measurement Method	Book Value at 6/30/2019	Maturity	Rating
US Treasuries	Fair Value Level 1	$ 9,939,830	various	AAA
Government Agency:				
Federal Farm Credit Bank	Fair Value Level 1	10,703,412	various	AA+
Federal National Mortgage Assn	Fair Value Level 1	7,276,165	various	AA+
Federal Home Loan Bank	Fair Value Level 1	13,819,584	various	AA+
Federal Home Loan Mtg Corp	Fair Value Level 1	15,887,393	various	AA+
Commercial Paper:				
Commercial Paper - ING	Fair Value Level 1	3,920,421	various	A-1
Commercial Paper – Toyota	Fair Value Level 1	5,613,036	various	A-1
Commercial Paper – JP Morgan	Fair Value Level 1	6,423,454	various	A-1
Commercial Paper – UPS	Fair Value Level 1	4,127,444	various	A-1
NC Capital Management Trust – Cash Portfolio	Amortized Cost	18,441,948	N/A	AAAm
NC Capital Management Trust – Term Portfolio	Fair Value Level 1	11,422,206	0.11 years	Unrated
Total:		$ 107,574,892		

Interest Rate Risk.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

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 AAA by Standard and Poor's as of June 30, 2019.

III. Detail Notes on All Funds: (continued)

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 10.5% percent of the City's investments are in Commercial Paper.

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 $29,486.

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

Fund		6/30/19
General Fund:		
Taxes receivable	$	633,963
Solid Waste receivables		511,576
Special Revenue Funds:		
Rehabilitation Loan Program Fund:		
Rehabilitation Loans		119,841
Home Incentive Loans		-
Rental Rehabilitation Loan Program Fund:		
Rehabilitation Loans		17,911
Downtown Special Tax District Fund:		
Taxes Receivable		35,653
Home Program Fund:		
Home Incentive Loans		324,007
Enterprise Fund:		
Water and Sewer Fund:		
Utility Receivables		67,194
Total	$	1,710,145

III. Detail Notes on All Funds: (continued)

4. Capital Assets

Capital asset activity for the Primary Government for the year ended June 30, 2019, 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	2,203,614	5,141,815	73,313	7,272,116
Total capital assets not being depreciated	10,831,988	5,141,815	73,313	15,900,490
Capital assets being depreciated:				
Buildings	49,516,572	111,485	-	49,628,057
Streets and sidewalks	36,427,352	20,300	-	36,447,652
Equipment	12,173,377	590,179	-	12,763,556
Vehicles	20,540,598	1,850,813	642,959	21,748,452
Total capital assets being depreciated	118,657,899	2,572,777	642,959	120,587,717
Less accumulated depreciation for:				
Buildings	22,591,743	1,242,920	-	23,834,663
Streets and sidewalks	18,341,093	980,257	-	19,321,350
Equipment	7,642,809	1,139,074	-	8,781,883
Vehicles	11,655,284	1,338,597	642,959	12,350,922
Total accumulated depreciation	60,230,929	4,700,848	642,959	64,288,818
Total capital assets being depreciated, net	58,426,970			56,298,899
Governmental activity capital assets, net	$ 69,258,958			$ 72,199,389

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

General government	$ 467,394
Public safety	1,456,963
Public works	1,958,009
Cultural and recreational	818,482
Total depreciation expense	$ 4,700,848

III. Detail Notes on All Funds: (continued)

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Public Transportation Fund				
Capital assets being depreciated:				
Building	$ 28,153	$ -	$ -	$ 28,153
Infrastructure	21,400	21,040	-	42,440
General equipment	-	-	-	-
Vehicle	1,228,838	-	-	1,228,838
Total capital assets being depreciated	1, 278,391	21,040	-	1,299,431
Less accumulated depreciation for:				
Building	2,933	1,408	-	4,341
Infrastructure	1,329	1,947	-	3,276
General equipment	-	-	-	-
Vehicle	543,311	245,768	-	789,079
Total accumulated depreciation	547,573	$ 249,123	$ -	796,696
Total capital assets being depreciated, net	730,818			502,735
Public Transportation fund capital assets, net	$ 730,818			$ 502,735
Storm Water Fund				
Capital assets not being depreciated:				
Construction in progress	$ 108,490	$ 302,645	$ 8,500	$ 402,635
Total capital assets not being depreciated	108,490	302,645	8,500	402,635
Capital assets being depreciated:				
Building	173,394	-	-	173,394
Infrastructure	101,231	52,850	-	154,081
General equipment	230,561	-	-	230,561
Vehicle	333,176	-	-	333,176
Total capital assets being depreciated	838,362	52,850	-	891,212
Less accumulated depreciation for:				
Building	35,962	5,754	-	41,716
Infrastructure	7,170	6,643	-	13,813
General equipment	147,412	18,794	-	166,206
Vehicle	80,992	24,468	-	105,460
Total accumulated depreciation	271,536	$ 55,659	$ -	327,195
Total capital assets being depreciated, net	566,826			564,017
Storm water fund capital assets, net	$ 675,316			$ 966,652

III. Detail Notes on All Funds: (continued)

	Beginning Balances	Increases	Decreases	Ending Balances
Water and Sewer Fund				
Capital assets not being depreciated:				
Land	$ 6,945,444	$ -	$ -	$ 6,945,444
Construction in progress	681,746	1,375,964	255,977	1,801,733
Total capital assets not being depreciated	7,627,190	1,375,964	255,977	8,747,177
Capital assets being depreciated:				
Water lines	56,642,666	131,602	-	56,774,268
Sewer lines	85,940,880	198,627	-	86,139,507
Buildings, plant, & pumping equipment				
Water	54,687,495	144,745	-	54,832,240
Sewer	67,213,206	178,347	-	67,391,553
General equipment	3,759,404	436,377	12,577	4,183,204
Vehicles	3,862,312	92,912	318,049	3,637,175
Total capital assets being depreciated	272,105,963	1,182,610	330,626	272,957,947
Less accumulated depreciation for:				
Water and sewer lines	24,918,982	1,489,540	-	26,408,522
Water and sewer lines	26,901,601	1,670,127	-	28,571,728
Buildings, plant, & pumping, equipment				
Water	33,576,904	1,193,094	-	34,769,998
Sewer	43,199,161	1,535,004	-	44,734,165
General equipment	2,147,068	224,060	12,577	2,358,551
Vehicles	2,501,679	282,805	318,049	2,466,435
Total accumulated depreciation	133,245,395	$ 6,394,630	$ 330,626	139,309,399
Total capital assets being depreciated, net	138,860,568			133,648,548
Water and Sewer fund capital assets, net	$ 146,487,758			$ 142,395,725
Business-type activity capital assets, net	$ 147,893,892			$ 143,865,112

5. Construction Commitments

The government has active construction projects as of June 30, 2019. At year-end, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Animal Services Center	$ 2,681,912	$ 1,832,319
Street Resurfacing Project	833,995	1,032,963
Fairchild Stadium Improvements	1,178,794	181,868
City Park Carousel Renovations	-	1,282,588
Whitsett Lift Station Renovation	346,580	281,311
Water System Improvements	404,578	913,899
Forestdale Drive Widening	296,222	28,705
Northpark Recreation Renovations	6,449	490,330
Total	$ 5,748,531	$ 6,043,982

III. Detail Notes on All Funds: (continued)

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 at www.osc.nc.gov.

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.

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 actuarily 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, 2019, was 8.5% of compensation for law enforcement officers and 7.83% 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 $2,581,822. The contributions come from the City's General Fund and the City's Water Resources Enterprise Fund.

III. Detail Notes on All Funds: (continued)

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, 2019, the City reported a liability of $12,020,182 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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 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, 2018, the City's proportion was 0.507%, which was an increase of 0.009% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the City recognized pension expense of $3,287,269. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,854,429	$ 62,225
Changes of assumptions	3,189,692	-
Net difference between projected and actual earnings on pension plan investments	1,650,013	-
Changes in proportion and differences between contributions and proportionate share of contributions	18,312	49,468
City contributions subsequent to the measurement date	2,581,822	
Total	$ 9,294,268	$ 111,693

$2,581,822 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2019.

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	$ 2,076,031
2021	386,662
2022	959,756
2023	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 to 8.10, including inflation and productivity factor
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation

III. Detail Notes on All Funds: (continued)

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, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

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, 2018 are summarized in the following table:

Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 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 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. 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.

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 7.00 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 (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	**Discount Rate (7.00%)**	**1% Increase (8.00%)**
City's proportionate share of the net pension liability (asset)	$ 28,873,520	$ 12,020,182	$(2,062,730)

III. Detail Notes on All Funds: (continued)

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 under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. 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, 2017, the Separation Allowance's membership consisted of:

Retirees receiving benefits	27
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	136
Total	163

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.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statements 73:

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. Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2017 valuation. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Discount rate	2.98 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2017.

Mortality rates are based on the RP-2014 Mortality tables with adjustments for mortality improvements based on Scale AA.

III. Detail Notes on All Funds: (continued)

4. *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. There were no contributions made by employees. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The City paid $657,468 as benefits came due for the reporting period.

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

At June 30, 2019, the City reported a total pension liability of $6,296,757. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation date. The total pension liability was then rolled forward to the measurement date of December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the City recognized pension expense of $511,178.

	Deferred Outflows of Resources	Inflows of Resources
Differences between expected and actual experience	$ 216,641	$ -
Changes of assumptions	219,777	252,952
Benefit payments and plan administrative expense made subsequent to the measurement date	370,547	-
Total	$ 806,965	$ 252,952

$370,547 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Deferred Inflows of Resources (b)
2020	$62,959
2021	$62,959
2022	$59,606
2023	$40,618
2024	$26,810
Thereafter	$0

$370,547 paid as benefits came due and $406 of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

III. Detail Notes on All Funds: (continued)

Sensitivity of the City's total pension liability to changes in the discount rate. The following presents the City's total pension liability calculated using the discount rate of 3.64 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64 percent) or 1-percentage-point higher (4.64 percent) than the current rate:

	1% Decrease (2.64%)	Current Discount Rate (3.64%)	1% Increase (4.64%)
Total Pension Liability	$ 6,787,437	$ 6,296,757	$ 5,849,773

Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance

	2019
Beginning balance as of December 31, 2017	$ 6,506,414
Service cost	251,901
Interest on the total pension liability	196,833
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	126,532
Changes of assumptions or other inputs	(229,900)
Benefit payments	(555,023)
Other changes	-
Net changes	$ (209,657)
Ending balance of the total pension liability as of December 15, 2018	$ 6,296,757

The plan currently uses mortality tables that vary by age, 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, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

III. Detail Notes on All Funds: (continued)

Following is information related to the proportionate share and pension expense for all pension plans:

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

	LGERS	LEOSSA	Total
Pension Expense	$ 3,287,269	$ 511,178	$ 3,798,447
Pension Liability	12,020,182	6,296,757	18,316,939
Proportionate share of the net pension liability	0.50700%	n/a	
Deferred of Outflows of Resources			
Differences between expected and actual experience	1,854,429	216,641	2,071,070
Changes of assumptions	3,189,692	219,777	3,409,469
Net difference between projected and actual earnings on plan investments	1,650,013	-	1,650,013
Changes in proportion and differences between contributions and proportionate share of contributions	18,312	-	18,312
Benefit payments and administrative costs paid subsequent to the measurement date	2,581,822	370,547	2,952,369
Deferred of Inflows of Resources			
Differences between expected and actual experience	62,225	-	62,225
Changes of assumptions	-	252,952	252,952
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	49,468	-	49,468

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, 2019 were $708,678 which consisted of $411,890 from the City and $296,788 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, 2019 for general employees were $1,799,897, which consisted of $1,174,174 from the City and $625,723 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 or at www.osc.nc.gov.

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. The City does not contribute to the plan. Contributions provisions are established by Gereneal Statute 58-86 and may be amended only by the North Carolina General Assembly. For the fiscal year ending June 30, 2018, the state contributed $17,952,000 to the plan. The City of Burlington's proportionate share of the State's contribution is $35,630.

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.

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

At June 30, 2019, 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 $125,290. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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, 2018 and at June 30, 2017 was 0%.

For the year ended June 30, 2019, the City recognized pension expense of $35,630 and revenue of $35,630 for support provided by the State. At June 30, 2019, the City reported no deferred outflows of resources and no deferred inflows of resources related to pensions.

III. Detail Notes on All Funds: (continued)

Actuarial Assumptions. The total pension liability in the December 31, 2017 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	7.00 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 7.00%. 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.

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 as a single employer defined benefit plan 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 Council has the authority to establish and amend the benefit terms and financing requirements. 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, 2019, the city made payments for post-employment health benefit premiums of $ 1,177,880. The City obtains healthcare coverage through private insurers. The City funds the expenditures on a pay as you go basis with monies from the General Fund and the Water Resources Fund.

III. Detail Notes on All Funds: (continued)

Retired Employees' Years of Creditable Service	Date Hired	
	Pre-July 1, 2011	On or after July 1, 2011
Less than 10 years	Not eligible for coverage	Not eligible for coverage
10 - 14 years	25% coverage paid for by City	Not eligible for coverage
15 - 19 years	50% coverage paid for by City	Not eligible for coverage
20 - 24 years	75% coverage paid for by City	Not eligible for coverage
25+ years	Full coverage paid for by City	Not eligible for coverage

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.

Membership of the Plan consisted of the following at June 30, 2017, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Inactive retirees and dependents receiving benefits	167	-
Active plan members	337	135
Total	504	135

Total OPEB Liability

The City's total OPEB liability of $27,816,998 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.5 %
Salary increases	3.5 – 7.75%, average, including inflation
Discount rate	3.89 %
Healthcare cost trend rates	7.25% decreasing to an ultimate rate of 4.75% by 2028

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of the measurement date.

III. Detail Notes on All Funds: (continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2017	$ 28,241,295
Changes for the year	
Service cost	822,063
Interest	976,349
Changes of benefit terms	-
Differences between expected and actual experience	(674,712)
Changes in assumptions or other inputs	97,937
Benefit payments	(1,645,934)
Other	-
Net changes	$ (424,297)
Balance at June 30, 2018	$ 27,816,998

Changes in assumptions and other inputs reflect a change in the discount rate from 3.56% to 3.89%.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale RP-2015.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 2010 through December 2014.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.89 percent) or 1-percentage-point higher (4.89 percent) than the current discount rate:

	1% Decrease (2.89%)	Discount Rate (3.89%)	1% Increase (4.89%)
Total OPEB liability	$ 30,886,113	$ 27,816,998	$ 25,149,768

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (2.89%)	Discount Rate (3.89%)	1% Increase (4.89%)
Total OPEB liability	$ 25,539,885	$ 27,816,998	$ 30,465,029

III. Detail Notes on All Funds: (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the City recognized OPEB expense of $1,531,449. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 412,157	$ 569,123
Changes of assumptions	82,610	1,138,395
Benefit payments and administrative costs made subsequent to the measurement date	2,268,292	-
Total	$ 2,763,059	$ 1,707,518

$2,268,292 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	$ 266,963
2021	266,963
2022	266,963
2023	109,696
2024	35,203
Thereafter	-

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 and not by the City. 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. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. 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

The City has several deferred outflows of resources.

Deferred outflows of resources is comprised of the following:

Source		Amount
Contributions to pension plan in current fiscal year	$	2,581,822
Benefit payments and administrative expenses for LEOSSA made subsequent to measurement date		370,547
Benefit payments and administrative expenses for OPEB made subsequent to measurement date		2,268,292
Differences between expected and actual experience		2,483,227
Changes of assumptions		3,492,079
Net difference between projected and actual earnings on pension plan investments		1,650,013
Changes in proportion and differences between employer contributions and proportionate share of contributions		18,312
Charge on refunding		
Total	$	12,864,292

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

		Statement of Net Position		General Fund Balance Sheet
Deferred Gain on refunding	$	163,547		
Taxes Receivable, less penalties (General Fund)		-		803,641
Changes in assumptions		1,391,347		-
Differences between expected and actual experience		631,348		-
Changes in proportion and differences between employer contributions and proportionate share of contributions		49,468		-
Total	$	2,235,710	$	803,641

III. Detail Notes on All Funds: (continued)

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 $750,000 per claim occurrence. The commercial insurance provides $1,000,000 in coverage for claims in excess of the City's assumed aggregate risk of $2,620,327 annually. At June 30, 2019 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 $2,000 per employee annually. At June 30, 2019, the Dental Self Insurance Fund had recorded a liability of $66,521 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 unlimited reimbursement in coverage for claims in excess of the City's assumed claim risk of $125,000 per member. The City also has commercial coverage for claims exceeding approximately $7,812,522 in aggregate annually. At June 30, 2019 the Group Health Benefits Fund had a recorded liability of $720,608 for estimated unpaid claims.

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 Travelers Property Casualty Company of America; 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 $100,000. 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, 2019, 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.

6. Long-Term Obligations

a. Installment Purchase

On August 21, 2017 the City entered into a direct placement installment purchase contract to purchase various pieces of equipment. The property is pledged as collateral for the debt while the debt is outstanding. The financing contract requires three annual payments of $682,198 beginning August 21, 2017 with interest of 1.56%. On August 22, 2018 the City entered into a direct placement nstallment purchase contract to purchase various pieces of equipment. The financing contract requires three annual payments of $736,900 beginning August 22, 2018 with interest of 2.62%.

III. Detail Notes on All Funds: (continued)

Annual debt service payments of the installment purchase as of June 30, 2019, including $66,440 of interest, are as follows:

	Governmental Activities	
Year Ending June 30	Principal	Interest
2020	$ 1,371,472	$ 47,626
2021	718,087	18,814
Present value of the minimum lease payments	$ 2,089,559	
Total interest payments		$ 66,440

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. In the event of a default, the City agrees to pay to the purchaser, on demand, interest on any and all amounts due and owing by the City under the related agreements. Principal and interest requirements are appropriated when due.

Bonds payable at June 30, 2019 are comprised of the following individual issues:

General Obligation Bonds

Serviced by the General Fund:

$5,321,000 of direct placement 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.	$ 3,414,000

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. This bond was paid off in fiscal year 2019.	0
	$ 3,414,000

At June 30, 2019 the City of Burlington had a legal debt margin of $ 394,688,749.

III. Detail Notes on All Funds: (continued)

General Obligation Bonds

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

	Governmental Activities		Business-Type Activities	
Year Ending June 30	**Principal**	**Interest**	**Principal**	**Interest**
2020	$ 517,000	$ 63,159	$ -	$ -
2021	508,000	53,595	-	-
2022	498,000	44,197	-	-
2023	498,000	34,984	-	-
2024	478,000	25,956	-	-
2025-2026	1,925,000	25,567	-	-
Totals	$ 3,414,000	$ 247,456	$ -	$ -

c. Revenue Bonds

$11,825,000 of direct placement 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. $ 3,300,000

Year Ending June 30	Principal	Interest
2020	$ 670,000	$ 143,488
2021	665,000	116,688
2022	660,000	90,088
2023	655,000	57,088
2024	650,000	29,250
	$ 3,300,000	$ 436,600

$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
2020	$ 450,000	$ 702,820
2021	465,000	678,466
2022	485,000	653,300
2023	500,000	626,082
2024	520,000	597,022
2025-2026	1,100,000	1,097,975
2027-2031	3,195,000	2,061,541
2032-2036	3,985,000	858,275
	$ 10,700,000	$ 7,275,481

III. Detail Notes on All Funds: (continued)

Revenue bonds (continued)

$18,370,000 of direct placement 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. $ 14,880,000

Year Ending June 30	Principal	Interest
2020	$ 580,000	$ 630,075
2021	605,000	606,875
2022	625,000	582,675
2023	650,000	557,675
2024	670,000	537,363
2025-2027	2,160,000	1,472,912
2028-2032	4,260,000	1,785,863
2033-2037	5,330,000	722,475
	$ 14,880,000	$ 6,895,913

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, 2010B 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 2010B 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 $43,487,994 as of June 30, 2019. 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, 2019 were $6,421,253 to provide a coverage ratio of 630%. The long-term debt service coverage ratio calculations for the year ended June 30, 2019, is as follows:

Operating revenues	$ 31,057,981
Operating expenses*	18,375,890
Operating income	12,682,091
Nonoperating revenues (expenses)**	1,150,913
Income available for debt service	13,833,004
Debt service, principal and interest paid (Revenue bond only)	3,213,182
Debt service coverage ratio	431%

*Per rate covenants, this does not include the depreciation expense of $6,394,630
** Per rate covenants, this does not include revenue bond interest paid of $1,546,847

The City also has $0 of System GO Indebtedness outstanding that is associated with the bonds.

III. Detail Notes on All Funds: (continued)

d. Advance Refunding

On December 31, 2010 the City issued $11,825,000 in direct placement 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 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 as a deferred inflow of resources in the accompanying financial statements 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 direct placement General Obligation Refunding Bonds, Series 2013 with an interest bearing rate of 1.85% to advance refund $5,260,860 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 a deferred inflow of resources in the accompanying financial statements 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.

e. Current Refunding

On February 3, 2015 the City paid cash of $3,903,000 and issued direct placement General Obligation Refunding Bonds, Series 2015 in the amount of $4,047,000 with an interest bearing rate of 1.05% to pay off the 2005 General Obligation Bonds with interest ranging from 3.75 to 5.00% . There was no difference reported in the accompanying financial statements as there was no reported gain or loss from this transaction. The City completed the current refunding to reduce its total future debt interest payments by $770,032. This last payment due on the debt refunding was made in February 2019.

III. Detail Notes on All Funds: (continued)

Changes in Long-Term Liabilities

	Restated Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019	Current Portion of Balance
Governmental activities:					
General Obligation bonds	$ 3,940,000	$ -	$ 526,000	$ 3,414,000	$ 517,000
Add: Bond premium	-	-	-	-	-
Total General Obligation bonds	3,940,000	-	526,000	3,414,000	517,000
Direct placement					
Installment purchase	1,983,462	2,154,740	2,048,643	2,089,559	1,419,098
Compensated absences	2,789,614	2,005,232	2,241,794	2,553,052	638,263
Net pension liability (LGERS)	6,436,263	3,744,831	-	10,181,094	-
Total pension liability (LEO)	6,506,414	-	209,657	6,296,757	-
OPEB liability-General Fund	23,920,377	-	359,380	23,560,997	-
Governmental activity long-term liabilities	$45,576,130	$ 7,904,803	$ 5,385,474	$ 48,095,459	$ 2,574,361
Business-type activities:					
General obligation bonds	$ 399,000	$ -	$ 399,000	$ -	$ -
Revenue Bonds	30,550,000	-	1,670,000	28,880,000	1,700,000
Add: Bond premium	737,839	-	42,062	695,777	-
Total Revenue Bonds	31,287,839	-	1,712,062	29,575,777	1,700,000
Compensated absences	299,530	324,077	353,831	269,776	67,444
Net pension liability (LGERS)	1,162,631	676,457	-	1,839,088	-
OPEB liability	4,320,198	-	64,197	4,256,001	-
Business-type activity long-term liabilities	$37,469,198	$ 1,000,534	$ 2,529,090	$ 35,940,642	$ 1,767,444

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

III. Detail Notes on All Funds: (continued)

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 $2,070,629.

Transfers to/from other funds at June 30, 2019 consist of the following:

	Transfers	
	In	Out
Transfers To/From Other Funds:		
General Fund		
Group Health Benefits	$ -	$ 832,935
Governor's Crime Comm. Human Trafficking	-	41,801
Greenway/Bikeway Project Ordinance	-	225,000
Trans. Sidewalks & Intersection Improvements	-	2,627,700
MPO Planning Transportation	-	99,519
Dentzel Carousel Restoration	-	291,774
Workmen's Compensation	-	565,768
Transportation	-	253,353
Total General Fund	-	4,937,850
Capital Reserve Fund		
Dentzel Carousel Restoration	-	1,211,100
Trans. Sidewalks & Intersection Improv.	-	200,000
Greenway/Bikeway Project Ordinance	-	100,000
Total Capital Reserve	-	1,511,100
Special Revenue Funds		
MPO Planning Transportation		
General Fund	99,519	-
Transportation		
General Fund	253,353	-
Trans. Sidewalks & Intersection Improv.	-	950,800
Governor's Crime Comm. Human Trafficking		
General Fund	41,801	-
Total Special Revenue Funds	394,673	950,800

III. Detail Notes on All Funds: (continued)

	Transfers In	Transfers Out
Internal Service Funds		
Group Health Benefits		
General Fund	832,935	-
Water & Sewer Fund	291,424	-
Workmen's Compensation Fund		
General Fund	565,768	-
Water & Sewer Fund	380,502	-
Total Internal Service Funds	2,070,629	-
Water Resources Fund		
Water Capital Reserve	-	1,423,949
Sewer Capital Reserve	-	1,423,949
ERP System Project	-	100,000
Workmen's Compensation	-	380,502
Group Health Insurance	-	291,424
Total Water Resources Fund	-	3,619,824
Water Capital Projects		
Water Capital Reserve		
Water Resources Fund	1,423,949	-
Sewer Capital Reserve		
Water Resources Fund	1,423,949	-
Total Water Capital Projects	2,847,898	-
Capital Projects		
ERP		
Water Resources Fund	100,000	-
Trans. Sidewalks & Intersection Improv.		
General Fund	2,627,700	-
Capital Reserve Fund	200,000	-
Public Transportation Fund	950,800	-
Greenway/Bikeway Project		
General Fund	225,000	-
Water Resources Fund	100,000	-
Dentzel Carousel Restoration		
Capital Reserve Fund	1,211,100	-
General Fund	291,774	-
Total Capital Projects	5,706,374	-
Total Operating Transfers	$ 11,019,574	$ 11,019,574

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.

III. Detail Notes on All Funds: (continued)

D. On-Behalf Payments for Fringe Benefits and Salaries

The City has recognized as a revenue and an expenditure on-behalf payments for fringe benefits and salaries of $35,360 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, 2019. 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.

E. Prior Period Adjustment

During the fiscal year ended June 30, 2019, the City determined that the loan receivables in the Home Program Fund were overstated. Therefore, an adjustment to the beginning net position for Governmental Activities is being made on the Statement of Activities. The effect is a decrease in the beginning net position of $4,514,677.

F. Net Investment in Capital Assets

The table below shows the net investment in capital assets.

	6/30/2018		6/30/2019	
	Governmental	Business-type	Governmental	Business-type
Capital Assets	$69,258,958	$147,893,892	$72,199,389	$143,865,112
Less: Long-term debt	5,800,477	31,686,839	5,395,947	29,575,777
Deferred gain on refunding	122,985	67,603	107,612	55,935
Add: unexpended debt proceeds	-	-	-	-
Net investments in Capital Assets	$63,335,496	$116,139,450	$66,695,830	$114,233,400

G. 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	$	36,662,547
Less:		
Stabilization by State Statute		9,002,176
Historic Books		1,418
Animal Shelter		5,562
Capital Reserve Fund		4,047,215
Appropriated Fund Balance in 2019 budget		1,636,986
General Government		4,316,000
Economic Development		3,000,000
Public Works		1,172,300
Parks and Recreation		1,694,353
Public Safety:		
Police		3,750,000
Fire		1,700,000
Disaster Management		500,000
Working Capital/Fund Balance Policy		5,836,538
Remaining Fund Balance		-

III. Detail Notes on All Funds: (continued)

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 $20,009 to the Council during the fiscal year ended June 30, 2019.

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, 2019. 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, 2019. 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.

See independent auditor’s report.

CITY OF BURLINGTON, NORTH CAROLINA

FEB. 14, 1893

REQUIRED SUPPLEMENTAL FINANCIAL DATA

REQUIRED
SUPPLEMENTARY FINANCIAL DATA

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

- Schedule of Proportionate Share of Net Pension Liability (Asset) for Local Government Employees' Retirement System

- Schedule of Contributions to Local Government Employees' Retirement System

- Schedule of Proportionate Share of Net Pension Liability for Firefighters' and Rescue Squad Workers' Pension Plan

- Schedule of Changes in the Total Pension Liability for the Law Enforcement Officers' Special Separation Allowance

- Schedule of Total Pension Liability as a Percentage of Covered Payroll for Law Enforcement Officers' Special Separation Allowance

- Schedule of Changes in the Total OPEB Liability and Related Ratios

City of Burlington, North Carolina
City of Burlington's Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Six Fiscal Years *

Local Government Employees' Retirement System

	2019	2018	2017	2016	2015	2014
Burlington's proportion of the net pension liability (asset) (%)	0.50668%	0.49740%	0.48874%	0.49890%	0.49830%	0.50280%
Burlington's proportion of the net pension liability (asset) ($)	$ 12,020,182	$ 7,598,894	$ 10,372,700	$ 2,239,168	$ (2,938,645)	$ 6,060,671
Burlington's covered payroll	$ 31,445,856	$ 30,144,885	$ 29,241,727	$ 27,673,809	$ 26,647,845	$ 25,946,545
Burlington's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	38.23%	25.21%	35.47%	8.09%	(11.03%)	23.36%
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	94.18%	91.47%	98.09%	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.

The pension schedule is intended to show information for 10 years, information for additional years will be displayed as it becomes available.

City of Burlington, North Carolina
City of Burlington's Contributions
Required Supplementary Information
Last Six Fiscal Years

Local Government Employees' Retirement System

	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 3,287,269	$ 2,507,225	$ 2,715,090	$ 2,010,823	$ 1,981,518	$ 1,898,880
Contributions in relation to the contractually required contribution	3,287,269	2,507,225	2,715,090	2,010,823	1,981,518	1,898,880
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Burlington's covered payroll	$ 32,267,100	$31,445,856	$30,144,885	$29,241,727	$27,673,809	$ 26,647,845
Contributions as a percentage of covered payroll	10.19%	7.97%	9.01%	6.88%	7.16%	7.13%

The pension schedule is intended to show information for 10 years, information for additional years will be displayed as it becomes available.

City of Burlington, North Carolina
City of Burlington's Proportionate Share of Net Pension Liability
Required Supplementary Information
Last Five Fiscal Years *

Firefighters' and Rescue Squad Workers' Pension

	2019	2018	2017	2016	2015
Burlington's proportionate share of the net pension liability (%)	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Burlington's proportionate share of the net pension liability ($)	$ -	$ -	$ -	$ -	$ -
State's proportionate share of the net pension liability associated with City of Burlington	35,630	25,009	25,658	6,948	21,722
Total	$ 35,630	$ 25,009	$ 25,658	$ 6,948	$ 21,722
Burlington's covered payroll	$5,413,757	$5,161,203	$ 5,031,523	$4,687,076	$ 4,206,632
Burlington's proportionate share of the net pension liability as a percentage of its covered payroll	0.66%	0.48%	0.51%	0.15%	0.52%
Plan fiduciary net position as a percentage of the total pension liability	89.69%	89.35%	84.94%	91.40%	93.42%

* The amounts presented are for the prior fiscal year.

The pension schedule is intended to show information for 10 years, information for additional years will be displayed as it becomes available.

City of Burlington, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
June 30, 2019

	2019	2018	2017
Beginning balance	$6,506,414	$5,983,262	$6,144,882
Service Cost	251,901	210,184	219,380
Interest on the total pension liability	196,833	221,492	211,136
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	126,532	242,810	-
Changes of assumptions or other inputs	(229,900)	338,897	(130,693)
Benefit payments	(555,023)	(490,231)	(461,443)
Other changes	-	-	-
Ending balance of the total pension liability	$6,296,757	$6,506,414	$5,983,262

The amounts presented for each fiscal year were determined as of the prior year ending December 31.

The pension schedule is intended to show information for 10 years, information for additional years will be displayed as it becomes available.

City of Burlington, North Carolina
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
June 30, 2019

	2019	2018	2017
Total pension liability	$ 6,296,757	$ 6,506,414	$ 5,983,262
Covered payroll	8,299,065	7,999,099	7,709,975
Total pension liability as a percentage of covered payroll	75.87%	81.34%	77.60%

Notes to the schedules:

The City of Burlington has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

The pension schedule is intended to show information for 10 years, information for additional years will be displayed as it becomes available.

City of Burlington
Schedule of Changes in the Total OPEB Liability and Related Ratios
June 30, 2019

	2019	2018
Total OPEB Liability		
Service cost	822,063	896,725
Interest	976,349	857,596
Changes of benefit terms	-	-
Differences between expected and actual experience	(674,712)	612,719
Changes of assumptions	97,937	(1,692,359)
Benefit payments	(1,645,934)	(1,836,305)
Net change in total OPEB liability	(424,297)	(1,161,624)
Total OPEB liability - beginning	28,241,295	29,402,919
Total OPEB liability - ending	27,816,998	28,241,295
Covered payroll	18,200,559	19,207,118
Total OPEB liability as a percentage of covered payroll	152.84%	147.04%

Notes to Schedule

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

Fiscal year	Rate
2019	3.89%
2018	3.56%

The pension schedule is intended to show information for 10 years, information for additional years will be displayed as it becomes available.

CITY OF BURLINGTON, NORTH CAROLINA

FEB. 14, 1893

GENERAL FUND

Individual Fund Schedule

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
BALANCE SHEET
For the Fiscal Year Ended June 30, 2019

ASSETS

Cash and cash equivalents	$ 27,764,308
Receivables (net):	
Taxes	774,752
Accounts	8,397,103
Prepaid expenses	-
Total Assets	$ 36,936,163

LIABILITIES AND FUND BALANCE

LIABILITIES:	
Accounts payable and accrued liabilities	$ 3,517,189
Deferred Revenue	803,641
Total Liabilities	4,320,830
FUND BALANCES:	
Restricted:	
Stabilization by State Statute	9,002,176
Historic Books	1,418
Animal Shelter	5,562
Assigned:	
Subsequent Years Expenditures	1,636,986
General Government	13,953,523
Economic Development	-
Public Works	700,000
Parks and Recreation	228,562
Public Safety	-
Unassigned	7,087,106
Total Fund balances	32,615,333
Total Liabilities and fund balances	$ 36,936,163

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, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad Valorem Taxes:			
Current year	$ 27,424,064	$ 29,178,577	$
Prior year	410,040	491,409	
Penalties and interest	122,400	87,241	
Tax discounts	(91,800)	(128,325)	
Economic Dev Incentives	(225,212)	(290,986)	
Total	27,639,492	29,337,916	1,698,424
Other Taxes and Licenses:			
Payment in lieu of taxes	120,900	106,937	
Privilege licenses	2,000	3,365	
Cable TV franchise tax	350,000	331,744	
Local option sales tax	11,923,519	13,708,523	
Total	12,396,419	14,150,569	1,754,150
Unrestricted Intergovernmental Revenues:			
Utility franchise tax	4,000,000	4,068,950	
Beer and wine tax	220,000	229,540	
Alamance County fuel Purchase	450,000	356,025	
ABC revenue	165,000	507,407	
Alamance Jr. Tennis Foundation	20,000	15,791	
Total	4,855,000	5,177,713	322,713
Restricted Intergovernmental Revenues:			
ABC police contract	35,000	136,669	
Powell Bill allocation	1,438,600	1,428,178	
NC Dept of Transportation	475,000	397,311	
On-behalf of Payments-	-	35,630	
Fire and rescue	-	-	
Camp Green Leaves	33,000	23,784	
PTCOG Grants	12,000	-	
Alamance - Burlington Schools:			
School Guards Afterschool Programs	185,000	185,505	
Contributions – Fire	3,390	240	
Fire grants	-	-	
Animal Shelter	47,663	44,828	
Spay/Neuter Clinic	40,000	19,945	
Teen to Teen Theatre	500	300	
Junior Police Academy	-	11,496	
Recreation	257,220	201,548	
Senior Programs	60,693	64,916	
Reimbursed Cost	108,000	253,922	

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, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues: (continued)			
Restricted Intergovernmental Revenues: (continued)			
Police Donations - Melvin Hall	3,784	3,784	
DOT Reimbursement	-	-	
N Park in Motion Program	-	2,189	
NCHFA Urgent Repair Grant	85,000	42,500	
Donations – Miscellaneous	9,719	7,742	
Donations – Splash Pad Park	-	11,000	
Miscellaneous State Grants	100,000	162,528	
Federal Grant	-	-	
PEG Channel Support	50,000	54,054	
Total	2,944,569	3,088,069	143,500
Permits and Fees:			
Building permits and & inspection fees	788,000	807,101	
Fees and permits – other	559,300	552,188	
Total	1,347,300	1,359,289	11,989
Sales and Services:			
Animal Control - Alamance County	468,748	468,748	
Miscellaneous	344,691	335,110	
Recreation revenues	2,177,460	1,741,986	
Cemetery lots and fees	119,000	141,000	
Sanitation fees	1,380,000	1,390,130	
Total	4,489,899	4,076,974	(412,925)
Investment Earnings:			
Investment earnings	400,000	1,136,164	
Interest Subsidy	-	-	
Interest earned street assessment	-	6,699	
Vacant Lot/Demo Interest	-	64,878	
Total	400,000	1,207,741	807,741
Miscellaneous:			
Miscellaneous	288,750	361,576	
Total	288,750	361,576	72,826
Total Revenues	54,361,429	58,759,847	4,398,418

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, 2019

	Budget	Actual	Variance Positive (Negative)
Expenditures:			
General Government:			
City Council:			
Salaries and employee Benefits	88,787	90,409	
Operating expenditures	82,000	70,935	
Total	170,787	161,344	
Reimbursement from Water and Sewer Fund	(44,946)	(44,946)	
Total City Council	125,841	116,398	9,443
Public Administration:			
Salaries and employee Benefits	707,826	647,895	
Operating expenditures	15,400	47,713	
Total		695,608	
Reimbursement from Water and Sewer Fund	(171,469)	(171,469)	
Total Public Administration	551,757	524,139	27,618
Public Information:			
Salaries and employee Benefits	138,360	132,580	
Operating expenditures	112,250	96,958	
Capital Outlay	-	-	
Total		229,538	
Reimbursement from Water and Sewer Fund	(69,320)	(69,320)	
Total Public Information	181,290	160,218	21,072

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, 2019

	Budget	Actual	Variance Positive (Negative)
Expenditures: (continued)			
General Government: (continued)			
PEG Support:			
Salaries and employee Benefits	20,516	11,090	
Operating expenditures	29,886	9,157	
Total		20,247	
Reimbursement from Water and Sewer Fund			
Total PEG Support	50,402	20,247	30,155
Economic Development:			
Salaries and employee Benefits	117,544	118,920	
Operating Expenditures	138,000	80,697	
Total		199,617	
Reimbursement from Water and Sewer Fund	-	-	
Total Economic Development	255,544	199,617	55,927
Finance:			
Supervision:			
Salaries and employee Benefits	669,856	561,580	
Operating expenditures	26,000	81,283	
Total		642,863	
Reimbursement from Water and Sewer Fund	(321,966)	(321,966)	
Net	373,890	320,897	
Collections:			
Salaries and employee Benefits	365,145	362,071	
Operating expenditures	123,950	169,904	
Total		531,975	
Reimbursement from Water and Sewer Fund	(289,897)	(289,897)	
Net	199,198	242,078	

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, 2019

	Budget	Actual	Variance Positive (Negative)
Expenditures: (continued)			
General Government: (continued)			
Purchasing:			
Salaries and employee Benefits	301,641	307,030	
Operating expenditures	21,000	11,049	
Total Purchasing	322,641	318,079	
Total Finance	895,729	881,054	14,675
Information Technologies:			
Salaries and employee Benefits	707,789	650,250	
Operating expenditures	472,679	519,965	
Capital Outlay	393,372	408,076	
Total		1,578,291	
Reimbursement from Water and Sewer Fund	(312,746)	(312,746)	
Total Information Technologies	1,261,094	1,265,545	(4,451)
Legal:			
Salaries and employee Benefits	386,301	266,623	
Operating expenditures	227,566	121,486	
Total		388,109	
Reimbursement from Water and Sewer Fund	(145,541)	(145,541)	
Total Legal	468,326	242,568	225,758
Human Resources:			
Salaries and employee Benefits	316,065	279,316	
Operating expenditures	654,831	690,844	
Total		970,160	
Reimbursement from Water and Sewer Fund	(263,843)	(263,843)	
Total Human Resources	707,053	706,317	736

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, 2019

	Budget	Actual	Variance Positive (Negative)
Expenditures: (continued)			
General Government: (continued)			
Planning GIS Division:			
Salaries and employee Benefits	250,988	247,052	
Operating expenditures	45,347	51,544	
Total		298,596	
Reimbursement from Water and Sewer Fund	(221,284)	(221,284)	
Total Planning GIS Division	75,051	77,312	(2,261)
Planning:			
Salaries and employee Benefits	681,226	605,371	
Operating expenditures	304,025	221,479	
Capital Outlay	-	-	
Total		826,850	
Reimbursement from Water and Sewer Fund	(221,283)	(221,283)	
Total Planning	763,968	605,567	158,401
Code Enforcement:			
Salaries and employee Benefits	287,173	282,434	
Operating expenditures	97,046	85,493	
Capital Outlay	24,000	21,838	
Total Code Enforcement	408,219	389,765	18,454
Engineering:			
Salaries and employee Benefits	672,253	641,026	
Operating expenditures	79,698	71,171	
Capital Outlay	-	-	
Total		712,197	
Reimbursement from Water and Sewer Fund	(237,705)	(237,705)	
Total Engineering	514,246	474,492	39,754

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, 2019

	Budget	Actual	Variance Positive (Negative)
Expenditures: (continued)			
General Government: (continued)			
General Administration and Building:			
Salaries and employee Benefits	1,781,185	1,834,732	
Insurance	549,490	598,187	
Operating expenditures	546,887	442,146	
Special Projects	232,500	232,500	
Total General Administration and Building	3,110,062	3,107,565	2,497
Total General Government	9,368,582	8,770,804	597,778
Public Safety:			
Police:			
Administration:			
Salaries and employee Benefits	995,081	1,034,861	
Operating expenditures	1,071,860	1,215,601	
Capital Outlay	444,000	498,213	
Total	2,510,941	2,748,675	(237,734)
Retirees:			
Salaries and employee Benefits	671,650	657,468	
Operating expenditures	-	-	
Total	671,650	657,468	14,182
Records:			
Salaries and employee Benefits	285,724	288,498	
Operating expenditures	233,417	205,322	
Total	519,141	493,820	25,321
Training and Personnel Services:			
Salaries and employee Benefits	482,294	472,307	
Operating expenditures	255,931	246,235	
Capital Outlay	51,840	94,315	
Total	790,065	812,857	(22,792)

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, 2019

	Budget	Actual	Variance Positive (Negative)
Expenditures: (continued)			
Public Safety: (continued)			
CID/Special Ops:			
Salaries and employee Benefits	2,759,220	2,837,018	
Operating expenditures	236,992	239,431	
Total	2,996,212	3,076,449	(80,237)
Field Operations Division:			
Salaries and employee Benefits	6,158,282	5,851,479	
Operating expenditures	91,523	61,067	
Capital Outlay	15,000	15,000	
Total	6,264,805	5,927,546	337,259
Community Policing:			
Salaries and employee Benefits	1,319,710	1,366,333	
Operating expenditures	83,988	93,593	
Total	1,403,698	1,459,926	(56,228)
Identification:			
Salaries and employee benefits	300,710	287,855	
Operating expenditures	102,371	121,372	
Total	403,081	409,227	(6,146)
Communication:			
Salaries and employee Benefits	1,069,663	1,005,530	
Operating expenditures	616,289	480,771	
Capital Outlay	69,836	-	
Total	1,755,788	1,486,301	269,487

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, 2019

	Budget	Actual	Variance Positive (Negative)
Expenditures: (continued)			
Public Safety: (continued)			
Special Response Team:			
Salaries and employee benefits	-	-	
Operating expenditures	91,088	92,381	
Total	91,088	92,381	(1,293)
Emergency Management:			
Salaries and employee Benefits	74,016	76,020	
Operating expenditures	9,560	7,582	
Total	83,576	83,602	(26)
Total Police	17,490,045	17,248,252	241,793
Animal Services:			
Field:			
Salaries and employee Benefits	107,257	97,551	
Operating expenditures	45,776	54,667	
Total	153,033	152,218	815
Spay/Neuter Clinic:			
Operating expenditures	23,700	22,139	
Total	23,700	22,139	1,561
Shelter:			
Salaries and employee Benefits	946,919	942,403	
Operating expenditures	392,998	363,598	
Capital Outlay	135,581	113,066	
Total	1,475,498	1,419,067	56,431
Total Animal Services	1,652,231	1,593,424	58,807

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, 2019

	Budget	Actual	Variance Positive (Negative)
Expenditures: (continued)			
Public Safety: (continued)			
Fire:			
Administration:			
Salaries and employee Benefits	473,397	414,940	
Operating expenditures	60,455	48,617	
Total	533,852	463,557	70,295
Standards and Personnel Development:			
Salaries and employee Benefits	74,610	77,352	
Operating expenditures	43,900	36,091	
Total	118,510	113,443	5,067
Fire Code Compliance:			
Salaries and employee Benefits	409,067	409,670	
Operating expenditures	30,190	18,334	
Total	439,257	428,004	11,253
Emergency Response Services:			
Salaries and employee Benefits	6,607,375	6,744,439	
Operating expenditures	345,000	329,638	
Capital Outlay	5,700	7,804	
Total	6,958,075	7,081,881	(123,806)
Emergency Services Facilities:			
Operating expenditures	308,897	229,225	
Capital Outlay	40,000	38,813	
Total	348,897	268,038	80,859

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, 2019

	Budget	Actual	Variance Positive (Negative)
Expenditures: (continued)			
Fire: (continued)			
Training Center:			
Operating expenditures	52,900	49,374	
Total	52,900	49,374	3,526
Emergency Response Equipment:			
Operating expenditures	250,500	213,930	
Capital Outlay	661,307	662,468	
Total	911,807	876,398	35,409
Total Fire	9,363,298	9,280,695	82,603
Total Public Safety	28,505,574	28,122,371	383,203
Public Works:			
Public Works Department:			
Supervision:			
Salaries and employee Benefits	165,817	147,071	
Operating expenditures	67,950	68,882	
Total	233,767	215,953	17,814
Building Maintenance:			
Salaries and employee Benefits	718,502	707,991	
Operating expenditures	94,600	97,377	
Capital Outlay	80,000	63,866	
Total	893,102	869,234	23,868
Municipal Building:			
Operating expenditures	370,500	320,604	
Capital Outlay	45,000	40,676	
Total	415,500	361,280	54,220
May Memorial Library:			
Operating expenditures	120,000	126,144	
Total	120,000	126,144	(6,144)

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, 2019

	Budget	Actual	Variance Positive (Negative)
Expenditures: (continued)			
Public Works: (continued)			
Equipment Maintenance:			
Salaries and employee benefits	830,409	862,356	
Operating expenditures	351,835	379,841	
Capital Outlay	-	-	
Total	1,182,244	1,242,197	(59,953)
Streets:			
Salaries and employee benefits	1,055,587	1,041,909	
Operating expenditures	475,800	454,773	
Capital Outlay	1,068,145	939,826	
Total	2,599,532	2,436,508	163,024
Cemetery:			
Salaries and employee benefits	881,152	842,861	
Operating expenditures	269,350	340,863	
Capital Outlay	-	-	
Total	1,150,502	1,183,724	(33,222)
Sanitation:			
Salaries and employee benefits	1,133,887	1,088,219	
Operating expenditures	1,431,820	1,523,695	
Capital Outlay	518,100	517,763	
Total	3,083,807	3,129,677	(45,870)
Sustainability:			
Salaries and employee benefits	165,285	126,824	
Operating expenditures	22,800	51,702	
Capital Outlay	40,000	-	
Total	228,085	178,526	49,559
Inspections:			
Salaries and employee benefits	697,026	620,803	
Operating expenditures	72,245	70,906	
Capital Outlay	25,000	21,838	
Total	794,271	713,547	80,724

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, 2019

	Budget	Actual	Variance Positive (Negative)
Expenditures: (continued)			
Public Works: (continued)			
Total Public Works	10,700,810	10,456,790	244,020
Transportation:			
Traffic Control Supervisor:			
Salaries and employee benefits	592,359	513,841	
Operating expenditures	411,941	363,579	
Capital Outlay	174,000	157,294	
Total	1,178,300	1,034,714	143,586
Street Signs - Marking:			
Salaries and employee benefits	174,243	186,323	
Operating expenditures	62,650	59,418	
Total	236,893	245,741	(8,848)
Street Lighting:			
Operating expenditures	625,000	672,088	
Total	625,000	672,088	(47,088)
Total Transportation	2,040,193	1,952,543	87,650
Cultural and Recreation:			
Supervision:			
Salaries and employee benefits	458,645	490,001	
Operating expenditures	52,986	40,666	
Capital Outlay	-	-	
Total	511,631	530,667	(19,036)
Day Camps and Afterschools:			
Salaries and employee benefits	719,213	613,073	
Operating expenditures	163,048	142,899	
Capital Outlay	100,000	101,326	
Total	982,261	857,298	124,963

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, 2019

	Budget	Actual	Variance Positive (Negative)
Expenditures: (continued)			
Cultural and Recreation: (continued)			
Athletics			
Salaries and employee benefits	736,917	797,023	
Operating expenditures	620,831	519,633	
Capital Outlay	85,000	99,457	
Total	1,442,748	1,416,113	26,635
Special Events:			
Salaries and employee benefits	174,697	129,427	
Operating expenditures	183,015	175,476	
Total	357,712	304,903	52,809
Fairchild Stadium:			
Operating expenditures	40,797	171,324	
Capital Outlay	1,386,020	1,183,453	
Total	1,426,817	1,354,777	72,040
Recreation Buildings:			
Salaries and employee benefits	1,175,966	1,176,371	
Operating expenditures	675,541	724,216	
Capital Outlay	368,938	317,119	
Total	2,220,445	2,217,706	2,739
Aquatics:			
Salaries and employee benefits	520,537	414,556	
Operating expenditures	197,500	339,827	
Capital Outlay	-	541	
Total	718,037	754,924	(36,887)
Camp Greenleaves:			
Salaries and employee benefits	75,355	55,365	
Operating expenditures	15,720	26,310	
Total	91,075	81,675	9,400

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, 2019

	Budget	Actual	Variance Positive (Negative)
Expenditures: (continued)			
Cultural and Recreation: (continued)			
Amusement Park:			
Salaries and employee benefits	116,448	115,217	
Operating expenditures	93,714	91,305	
Capital Outlay	-	2,971	
Total	210,162	209,493	669
Golf Course:			
Salaries and employee benefits	400,209	418,752	
Operating expenditures	253,076	272,946	
Capital Outlay	26,000	24,940	
Total	679,285	716,638	(37,353)
Paramount Theater:			
Salaries and employee benefits	130,414	159,298	
Operating expenditures	84,260	81,690	
Total	214,674	240,988	(26,314)
Total Cultural and Recreation	8,854,847	8,685,182	169,665

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, 2019

	Budget	Actual	Variance Positive (Negative)
Expenditures: (continued)			
Debt Service:			
Principal - bond	526,000	526,000	
Interest and other charges bond	72,890	72,890	
Principal - capital lease	2,048,643	2,048,643	
Interest and other charges capital lease	27,886	27,584	
Total Debt Service	2,675,419	2,675,117	302
Total Expenditures	62,145,425	60,662,807	1,482,618
Revenues Over (Under) Expenditures	(7,783,996)	(1,902,960)	5,881,036
Other Financing Sources (Uses):			
Transfer from (to) other funds			
Transfer to Workers Comp	(565,768)	(565,768)	
Transfer to Transportation	(253,353)	(253,353)	
Year End Budget Amendment			
Capital Reserve Fund			
Front St Greenway/Bikeway	(225,000)	(225,000)	
Dentzel Carousel	(291,774)	(291,774)	
Trans Sidewalks & Inters. Imprv.	(2,627,700)	(2,627,700)	
Human Trafficking	(41,801)	(41,801)	
Group Health	(1,317,934)	(832,935)	484,999
MPO	(74,520)	(99,519)	(24,999)
Issuance from Installment Financing	2,154,740	2,154,743	3
Capital Reserve Fund			
Sale of properties & materials	50,000	70,014	20,014
Total Other Financing Sources (Uses)	(3,193,110)	(2,713,093)	480,017
Revenues and Other Sources Over (Under) Expenditures and Other Financing Uses	(10,977,106)	(4,616,053)	$ 6,361,053
Fund balance, appropriated	$ 10,977,106		
Net change in fund balance	$ -		
Fund balance, beginning		37,231,386	
Fund balance, ending		$ 32,615,333	

CITY OF BURLINGTON, NORTH CAROLINA
CAPITAL RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment Earnings	$	$ 52,354	$
Total Revenues		52,354	52,354
Expenditures:			
Infrastructure			
Total Expenditures			
Revenues Over (Under) Expenditures		52,354	52,354
Other Financing Sources (Uses):			
Transfer from (to) other funds			
General Fund			
Greenway/Bikeway Project	(200,000)	(200,000)	
Trans. Sidewalk & Inter. Improv.	(100,000)	(100,000)	
Dentzel Carousel Restoration	(1,211,100)	(1,211,100)	
Total Other Financing Sources (Uses)	(1,511,100)	(1,511,100)	-
Revenues and Other Sources Over (Under) Expenditures	(1,511,100)	(1,458,746)	$ 52,354
Fund balance, appropriated	$ 1,511,100		
Net change in fund balance	$ -		
Fund balance, beginning		5,505,961	
Fund balance, ending		$ 4,047,215	

CITY OF BURLINGTON, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS:			
Cash and cash equivalents	$ 1,738,743	$ 8,484,742	$ 10,223,485
Receivables, net:			
Taxes	62,978		62,978
Accounts	177,705		177,705
Accrued		9,045	9,045
Housing rehabilitation loans	1,819,661		1,819,661
Home Incentive loans	31,999		31,999
Due from other funds			
Total Assets	$ 3,831,086	$ 8,493,787	$ 12,324,873
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts payable and accrued liabilities	$ 155,256	$ 2,285,750	$ 2,441,006
Due to other funds			
Deferred Revenue	62,978		62,978
Total Liabilities	218,234	2,285,750	2,503,984
Fund Balances:			
Restricted:			
Stabilization by State Statute	53,580		53,580
Economic Development	2,947,093		2,947,093
Public Safety	408,917		408,917
Committed for Capital Development		8,493,087	8,493,087
Assigned for Subsequent Expenditures	298,382		298,382
Unassigned	(95,120)	(2,285,050)	(2,380,170)
Total Fund Balances	3,612,852	6,208,037	9,820,889
Total Liabilities and Fund Balances	$ 3,831,086	$ 8,493,787	$ 12,324,873

CITY OF BURLINGTON, NORTH CAROLINA
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2019

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES:			
Ad valorem taxes	$ 144,352	$	$ 144,352
Unrestricted intergovernmental	150,277		150,277
Restricted intergovernmental	978,461	220,300	1,198,761
Sales and service	39,699		39,699
Investment earnings	31	9,045	9,076
Miscellaneous	12,360		12,360
Total revenues	1,325,180	229,345	1,554,525
EXPENDITURES:			
Current:			
Public Safety	748,858		748,858
Cultural and recreation	175,491		175,491
Economic and physical Development	991,456		991,456
Capital Outlay		3,236,580	3,236,580
Total Expenditures	1,915,805	3,236,580	5,152,385
Revenues over (under) expenditures	(590,625)	(3,007,235)	(3,597,860)
OTHER FINANCING SOURCES (USES):			
Transfer from other funds	141,320	5,706,374	5,847,694
Transfer to other funds			
Total other financing sources	141,320	5,706,374	5,847,694
Revenue and other sources over expenditures and other uses	(449,305)	2,699,139	2,249,834
Fund balances:			
Fund balances - beginning	4,062,157	3,508,898	7,571,055
Fund balances-ending	$ 3,612,852	$ 6,208,037	$ 9,820,889

SPECIAL REVENUE FUNDS

Combining Schedules
and
Individual Fund Schedules

CITY OF BURLINGTON, NORTH CAROLINA

FEB. 14, 1893

CITY OF BURLINGTON, NORTH CAROLINA
ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
For the Fiscal Year Ended June 30, 2019

	Community Development Fund	Rehabilitation Loan Program Fund	Rental Rehabilitation Loan Program Fund	Downtown Special Tax District Fund	Governor's Crime Commission Human Trafficking	RICO Fund	Edward Byrne Justice Assistance Grant Fund
ASSETS:							
Cash and cash equivalents	$ -	$ 289,677	$ 269,469	$ -	$ -	$ 435,731	$ 53,126
Receivables, net:							
Taxes				62,978			
Accounts		33,213					
Housing rehabilitation loans		1,479,359	340,302				
Home Incentive loans		31,999					
Due from other funds							
Total Assets	$ -	$ 1,834,248	$ 609,771	$ 62,978	$ -	$ 435,731	$ 53,126
LIABILITIES AND FUND BALANCES:							
Liabilities:							
Accounts payable and accrued Liabilities	$ 20,787	$ (12)	$ -	$ -	$ 17,314	$ -	$ -
Due to other funds							
Deferred Revenue				62,978			
Total Liabilities	20,787	(12)	-	62,978	17,314	-	-
Fund Balances:							
Restricted:							
Stabilization by State Statute	-	-	-	-	-	-	-
Economic Development		1,759,260	501,002				
Public Safety						355,791	53,126
Assigned Subsequent Expenditures	(20,787)	75,000	108,769			79,940	
Unassigned					(17,314)		
Total Fund Balances	(20,787)	1,834,260	609,771	-	(17,314)	435,731	53,126
Total Liabilities and Fund Balances	$ -	$ 1,834,248	$ 609,771	$ 62,978	$ -	$ 435,731	$ 53,126

Guilford Mackintosh Fund	Controlled Substance Tax Fund	MPO Planning Transportation Fund	Medicare Part D Grant Project Fund	Bureau of Justice Assistance Community Oriented Policing Grant	Totals
$ -	$ 56,496	$ 634,032	$ 212	$	$ 1,738,743
					62,978
34,772		109,720			177,705
					1,819,661
					31,999
$ 34,772	$ 56,496	$ 743,752	$ 212	$ -	$ 3,831,086
$ 34,772	$ 2,049	$ 57,133	$ -	$ 23,213	$ 155,256
					62,978
34,772	2,049	57,133	-	23,213	218,234
-	-	-	-	53,580	53,580
		686,619	212		2,947,093
					408,917
	55,460				298,382
	(1,013)			(76,793)	(95,120)
-	54,447	686,619	212	(23,213)	3,612,852
$ 34,772	$ 56,496	$ 743,752	$ 212	$ -	$ 3,831,086

CITY OF BURLINGTON, NORTH CAROLINA
ALL SPECIAL REVENUE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2019

	Community Development Fund	Rehabilitation Loan Program Fund	Rental Rehabilitation Loan Program Fund	Downtown Special Tax District Fund	Governor's Crime Commission Human Trafficking	RICO Fund	Edward Byrne Justice Assistance Grant Fund
Revenues:							
Ad Valorem Taxes	$ -	$ -	$ -	$ 144,352	$ -	$ -	$ -
Unrestricted intergovernmental							
Restricted intergovernmental	204,044				84,427	164,315	
Sales and services							
Investment earnings		31					
Miscellaneous		10,505	1,855				
Total Revenue	204,044	10,536	1,855	144,352	84,427	164,315	-
Expenditures:							
Current:							
Public Safety	-	-	-	-	100,664	173,228	67,799
Cultural and Recreation							
Economic and physical development	234,934	65,173	289,911	144,352			
Total Expenditures	234,934	65,173	289,911	144,352	100,664	173,228	67,799
Revenues Over (Under) Expenditures	(30,890)	(54,637)	(288,056)	-	(16,237)	(8,913)	(67,799)
Other Financing Sources (Uses):							
Transfer from other funds	-	-	-	-	41,801	-	-
Transfer to other funds							
Transfer to component unit							
Total Other Financing Sources (Uses)	-	-	-	-	41,801	-	-
Net change in fund balances	(30,890)	(54,637)	(288,056)	-	25,564	(8,913)	(67,799)
Fund balance, beginning	10,103	1,888,897	897,827	-	(42,878)	444,644	120,925
Fund balance, ending	$ (20,787)	$ 1,834,260	$ 609,771	$ -	$ (17,314)	$ 435,731	$ 53,126

Guilford Mackintosh Fund	Controlled Substance Tax Fund	MPO Planning Transportation Fund	Medicare Part D Grant Project Fund	Bureau of Justice Assistance Community Oriented Policing Grant	Totals
$ -	$ -	$ -	$ -	$ -	$ 144,352
135,792	14,485				150,277
		242,061		283,614	978,461
39,699					39,699
					31
					12,360
175,491	14,485	242,061	-	283,614	1,325,180
-	46,760	-	-	360,407	748,858
175,491					175,491
-	-	255,679	1,407		991,456
175,491	46,760	255,679	1,407	360,407	1,915,805
-	(32,275)	(13,618)	(1,407)	(76,793)	(590,625)
-	-	99,519	-	-	141,320
-	-	99,519	-	-	141,320
-	(32,275)	85,901	(1,407)	(76,793)	(449,305)
-	86,722	600,718	1,619	53,580	4,062,157
$ -	$ 54,447	$ 686,619	$ 212	$ (23,213)	$ 3,612,852

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, 2019

	Total Authorized Revenues	Actual: Reported In Prior Years	Actual: Current Year	Actual: Total To Date	Variance Positive (Negative)
Revenues:					
Restricted Intergovernmental:					
Federal Grants – Program Year:					
2019	458,622	-	30,779	30,779	(427,843)
2018	399,942	256,020	78,684	334,704	(65,238)
2017	402,011	334,308	100	334,408	(67,603)
2016	419,950	365,882	45,640	411,522	(8,428)
2015	412,593	100,727	48,841	149,568	(263,025)
2014	458,906	458,906		458,906	
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	7,187,694	6,268,959	204,044	6,473,003	(714,691)
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		160,646		160,646	160,646
Total Revenues	7,187,694	6,429,605	204,044	6,633,649	(554,045)

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, 2019

	Total Authorized Expenses	Actual: Reported In Prior Years	Actual: Current Year	Actual: Total To Date	Variance Positive (Negative)
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	36,800	62		62	36,738
Total Program Year 2004	531,000	486,232	-	486,232	44,768
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	89,908	89,908		89,908	
Total Program Year 2005	506,908	506,908	-	506,908	-

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, 2019

	Total Authorized Expenses	Actual: Reported In Prior Years	Actual: Current Year	Actual: Total To Date	Variance Positive (Negative)
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	67,281	67,281		67,281	
Total Program Year 2006	459,669	459,669	-	459,669	-
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	49,642	49,642		49,642	
Total Program Year 2007	374,661	374,661	-	374,661	-

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, 2019

	Total Authorized Expenses	Actual: Reported In Prior Years	Actual: Current Year	Actual: Total To Date	Variance Positive (Negative)
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	55,484	54,976		54,976	508
Total Program Year 2008	402,606	402,098	-	402,098	508
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	98,000	97,652		97,652	348
Total Program Year 2009	428,191	427,844	-	427,844	347

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, 2019

	Total Authorized Expenses	Actual: Reported In Prior Years	Actual: Current Year	Actual: Total To Date	Variance Positive (Negative)
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	70,693		70,693	27,307
Total Program Year 2010	398,374	371,067	-	371,067	27,307

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, 2019

	Total Authorized Expenses	Actual Reported In Prior Years	Actual Current Year	Actual Total To Date	Variance Positive (Negative)
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	57,695		57,695	40,305
Total Program Year 2011	517,072	476,766	-	476,766	40,306

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, 2019

	Total Authorized Expenses	Actual: Reported In Prior Years	Actual: Current Year	Actual: Total To Date	Variance Positive (Negative)
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	54,340		54,340	7,660
Total Program Year 2012	555,340	547,680	-	547,680	7,660

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, 2019

	Total Authorized Expenses	Actual: Reported In Prior Years	Actual: Current Year	Actual: Total To Date	Variance Positive (Negative)
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	17,838	17,839		17,839	(1)
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	54,339		54,339	7,661
Total Program Year 2013	461,813	440,921	-	440,921	20,892

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, 2019

	Total Authorized Expenses	Actual: Reported In Prior Years	Actual: Current Year	Actual: Total To Date	Variance Positive (Negative)
Expenditures (continued):					
Economic and Physical Development (continued):					
Program Year 2014:					
Public Works Facilities, Site Improvements:					
Mebane St. Sidewalk Project	143,089	143,522		143,522	(433)
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	9,399	9,399		9,399	
Allied Churches Upgrade	74,281	65,168		65,168	9,113
Construction Training Program	65,000	65,000		65,000	
Burl Development Corp	7,239		4,990	4,990	2,249
Administration	62,000	54,408		54,408	7,592
Total Program Year 2014	433,585	410,074	4,990	415,064	18,521

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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, 2019

	Total Authorized Expenses	Actual Reported In Prior Years	Actual Current Year	Actual Total To Date	Variance Positive (Negative)
Expenditures (continued):					
Economic and Physical Development (continued):					
Program Year 2015:					
Public Works Facilities, Site Improvements:					
Friendly Ave Culvert	72,917	25,449		25,449	47,468
Mebane St Crosswalk Project					
Provision of Public Services:					
North Park Library	14,137	12,156	7,329	19,485	(5,348)
RTS Hall Avenue Upgrade			11,081	11,081	(11,081)
North Park Gym Upgrades	108,860	113,460		113,460	(4,600)
Allied Churches Upgrade	54,600	70,718	7,760	78,478	(23,878)
Relocation	7,000	7,000		7,000	
Construction Training Program	65,000	65,000		65,000	
Burl Development Corp	19,903	27,142	10,398	37,540	(17,637)
City Gate Dream Ctr.			9,054	9,054	(9,054)
Exchange Club Fam. Ctr.			7,000	7,000	(7,000)
Administration	68,093	58,252		58,252	9,841
Total Program Year 2015	410,510	379,177	52,622	431,799	(21,289)

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, 2019

	Total Authorized Expenses	Actual Reported In Prior Years	Actual Current Year	Actual Total To Date	Variance Positive (Negative)
Expenditures (continued):					
Economic and Physical Development (continued):					
Program Year 2016:					
Public Works Facilities, Site Improvements:					
Hatch St. Sidewalk	52,050	52,041		52,041	9
Provision of Public Services:					
North Park Library	10,000	10,000		10,000	
RTS Hall Avenue Upgrade					
North Park Gym Upgrades					
Allied Churches Upgrade	102,995	102,995		102,995	
Fairchild Park Gym upgrades	140,000	140,000		140,000	
Relocation	4,000	4,000		4,000	
Construction Training Program	65,000	65,000		65,000	
Burl Development Corp	23,843	23,777		23,777	66
Ralph Scott Upgrades			4,675	4,675	(4,675)
Administration	47,112		43,896	43,896	3,216
Total Program Year 2016	445,000	397,813	48,571	446,384	(1,384)

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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, 2019

	Total Authorized Expenses	Actual Reported In Prior Years	Actual Current Year	Actual Total To Date	Variance Positive (Negative)
Expenditures (continued):					
Economic and Physical Development (continued):					
Program Year 2017:					
Provision of Public Services:					
North Park Library	10,000	10,000		10,000	
RTS Hall Avenue Upgrade	18,200	18,200		18,200	
Allied Churches Upgrade	15,000	15,000		15,000	
Thataway Upgrades	37,000	37,000		37,000	
Relocation	2,000	1,900	100	2,000	
Construction Training Program	65,000	65,000		65,000	
Allied Church Assessment	15,000	15,000		15,000	
Family Abuse Service Upgrades	31,935	31,935		31,935	
Richmond Hill	35,870	35,870		35,870	
Ralph Scott Life Upgrades	54,390	54,390		54,390	
Burl Development Corp	25,209	25,209		25,209	
Administration	47,112	18,110	2,434	20,544	26,568
Total Program Year 2017	356,716	327,614	2,534	330,148	26,568

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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, 2019

	Total Authorized Expenses	Actual Reported In Prior Years	Actual Current Year	Actual Total To Date	Variance Positive (Negative)
Expenditures (continued):					
Economic and Physical Development (continued):					
Program Year 2018:					
Public Works Facilities, Site Improvements:					
North Church Sidewalk	85,008	596	62,948	63,544	21,464
Provision of Public Services:					
North Park Library	10,000	9,983		9,983	17
North Park Upgrades	120,000	123,666	8,335	132,001	(12,001)
Allied Churches Upgrade	63,876				63,876
Relocation	2,000		2,000	2,000	
Construction Training Program	26,740	26,740		26,740	
Ralph Scott Life Upgrades	52,000	46,134	5,866	52,000	
Burl Development Corp	36,000	36,000		36,000	
Administration	52,003	44,580		44,580	7,423
Total Program Year 2018	447,627	287,699	79,149	366,848	80,779

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, 2019

	Total Authorized Expenses	Actual Reported In Prior Years	Actual Current Year	Actual Total To Date	Variance Positive (Negative)
Expenditures (continued):					
Economic and Physical Development (continued):					
Program Year 2019:					
Public Works Facilities, Site Improvements:					
Clay Ct/Clay St. Paving	90,643		1,950	1,950	88,693
Sharpe Rd Pedis. Cross.	107,642				107,642
Stone Quarry Grnway	642				642
Provision of Public Services:					
North Park Library	2,290		2,290	2,290	
North Park Upgrades	136,642				136,642
Allied Churches Upgrade	2,290		2,290	2,290	
RST Upgrades	2,932		2,932	2,932	
Construction Training Program					
Ralph Scott Life Upgrades	642				642
Burl Development Corp	2,290		8,338	8,338	(6,048)
City Gate Dream Ctr.	2,290		1,607	1,607	683
Exchange Club Fam. Ctr.	2,290		2,175	2,175	115
Dream Ctr. Building Upgrade	44,441		1,240	1,240	43,201
CP Restrooms Overbrook	642				642
Rehab Loan	25,000				25,000
Family Abuse Services Upgrades	642				642
Administration	37,304		24,246	24,246	13,058
Total Program Year 2019	458,622	-	47,068	47,068	411,554

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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, 2019

	Total Authorized Expenses	Actual: Reported In Prior Years	Actual: Current Year	Actual: Total To Date	Variance Positive (Negative)
Expenditures (continued):					
Economic and Physical Development (continued):					
Total Expenditures	7,187,694	6,296,223	234,934	6,531,157	656,537
Revenues Over (Under) Expenditures	-	133,382	(30,890)	102,492	102,492
Other Financing Sources (Uses):					
Transfers from (to) other funds:					
Mebane St. St. John Culvert	(117,450)	(117,446)		(117,446)	4
Rehabilitation Loan	215,999				(215,999)
Total Other Financing (Uses)	98,549	(117,446)		(117,446)	(215,995)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ 98,549	$ 15,396	(30,890)	$ (14,954)	$ 83,595
Fund balance, appropriated	(98,549)				
Net change in fund balance	$ -				
Fund balance, beginning			10,103		
Fund balance, ending			$ (20,787)		

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, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment Earnings	$ -	$ 31	$ -
Miscellaneous			
Interest on loans		10,505	
Total Revenues	-	10,536	10,536
Expenditures:			
Economic and Physical Development:			
Operating Expenditures		47,888	
Provision for bad debts		17,285	
Total Expenditures	175,000	65,173	109,827
Revenues Over (Under) Expenditures	(175,000)	(54,637)	$ 120,363
Fund balance, appropriated	175,000		
Net change in fund balance	$ -		
Fund balance, beginning		1,888,897	
Fund balance, ending		$ 1,834,260	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – RENTAL REHABILITATION LOAN PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES INFUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment Earnings	$ -	$ -	$ -
Miscellaneous			
Interest on loans		1,855	
Miscellaneous income			
Total Revenues	-	1,855	1,855
Expenditures:			
Economic and Physical Development:			
CTP Housing – City		65,000	
Provision for bad debts		224,911	
Total Expenditures	65,000	289,911	(224,911)
Revenues Over (Under) Expenditures	(65,000)	(288,056)	(223,056)
Other Financing Sources (Uses)			
Transfer from other funds:			
Home Program Project	(35,205)		(35,205)
Total other financing sources	(35,205)		(35,205)
Revenues Over (Under) Expenditures	(100,205)	(288,056)	$ (258,261)
Fund balance, appropriated	100,205		
Net change in fund balance	$ -		
Fund balance, beginning		897,827	
Fund balance, ending		$ 609,771	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – DOWNTOWN SPECIAL TAX DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad Valorem Taxes:			
Taxes	$ -	$ 144,882	$ -
Tax discounts		(530)	
Total	115,000	144,352	29,352
Sales and Service:			
Parade Holiday Events			
Farmers Market			
Promotional Sales			
Total	150,000		(150,000)
Total Revenues	265,000	144,352	(120,648)
Expenditures:			
Economic and Physical Development:			
Salaries and employee benefits			
Operating expenditures		144,352	
Provision for bad debts			
Total Expenditures	265,000	144,352	120,648
Revenues Over (Under) Expenditures		-	-
Other Financing Sources (Uses)			
Transfer from other funds:			
Energy Efficiency			
Upgrade Main Street 2			
Total other financing sources			
Revenues Over (Under) Expenditures			$ -
Fund balance, appropriated	-		
Net change in fund balance	$ -		
Fund balance, beginning		-	
Fund balance, ending		$ -	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – HOME FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2019

	Total Authorized Costs	Actual: Reported In Prior Years	Actual: Current Year	Actual: Total To Date	Variance Positive (Negative)
Revenues:					
Restricted Intergovernmental:					
Federal Grant	$ 5,149,493	$ 4,619,915	$ 31,617	$ 4,651,532	$ (497,961)
Federal Grant County	2,248,337	1,963,632		1,963,632	(284,705)
State Grant		2,667		2,667	2,667
Local Funds	36,465	6,481		6,481	(29,984)
Total	7,434,295	6,592,695	31,617	6,624,312	(809,983)
Miscellaneous					
Program income	1,230,698	948,370	31,540	979,910	(250,788)
Miscellaneous income		25		25	25
Total	1,230,698	948,395	31,540	979,935	(250,763)
Total Revenues	8,664,993	7,541,090	63,157	7,604,247	(1,060,746)
Expenditures:					
Economic and Physical Development:					
Administrative	503,949	413,185	8,141	421,326	82,623
Homebuyer assistance	166,167	53,353		53,353	112,814
CHDO project assistance	1,085,911	998,067	21,902	1,019,969	65,942
Rehabilitation-owner	7,003,999	2,868,930	64,144	2,933,074	4,070,925
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	975,000	411,304	7,381	418,685	556,315
Provision for bad debts		456,046	(134,997)	321,049	(321,049)
Total Expenditures	10,150,557	5,418,608	(33,429)	5,385,179	4,765,378
Revenues Over (Under) Expenditures	(1,485,564)	2,122,482	96,586	2,219,068	3,704,632

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – HOME FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2019

	Total Authorized Costs	Actual Reported In Prior Years	Actual Current Year	Actual Total To Date	Variance Positive (Negative)
Other Financing Sources:					
Transfer from other funds:					
HOME Investment Partnership Project Fund		450,726		450,726	450,726
Rental Rehabilitation Loan Program	766,376	800,360		800,360	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	766,376	1,627,438		1,627,438	861,062
Revenues and Other Sources Over (Under) Expenditures	$ (719,188)	$ 3,749,920	96,586	$ 3,846,506	$ 4,565,694
Fund balance, beginning	719,188		3,749,920		
Fund balance, ending	$ -		$ 3,846,506		

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – GOVERNOR'S CRIME COMMISSION HUMAN TRAFFICKING
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2019

		Actual			
	Total Authorized Costs	Reported In Prior Years	Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
Restricted Intergovernmental:					
State Grant	$ 200,493	$ 88,821	$ 84,427	$ 173,248	$ (27,245)
Total Revenues	200,493	88,821	84,427	173,248	(27,245)
Expenditures					
Public Safety:					
Salaries and Employee benefits	178,712	132,600	87,951	220,551	(41,839)
Operating Expenditures	87,882	14,570	12,713	27,283	60,599
Equipment	8,000	16,829		16,829	(8,829)
Total Expenditures	274,594	163,999	100,664	264,663	9,931
Revenues Over (Under) Expenditures	(74,101)	(75,178)	(16,237)	(91,415)	(17,314)
Other Financing Sources:					
Transfer from other funds:					
General Fund	74,101	32,300	41,801	74,101	
Total Other Financing Sources	74,101	32,300	41,801	74,101	
Revenues and Other Sources Over (Under) Expenditures Other Uses	$ -	$ (42,878)	25,564	$ (17,314)	$ (17,314)
Fund balance, beginning			(42,878)		
Fund balance, ending			$ (17,314)		

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – RICO FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted Intergovernmental			
RICO Funds	$ -	$ 162,828	$ -
Department of Treasury Investment Earnings		1,487	
Total Revenues		164,315	164,315
Expenditures:			
Public Safety:			
RICO Funds		173,228	
Total Expenditures	210,328	173,228	37,100
Revenues Over (Under) Expenditures	(210,328)	8,913	$ 201,415
Fund balance, appropriated	210,328		
Net change in fund balance	$ -		
Fund balance, beginning		444,644	
Fund balance, ending		$ 435,731	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – EDWARD BYRNE 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, 2019

		Actual			
	Total Authorized Costs	Reported In Prior Years	Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
Restricted Intergovernmental:					
State Grant	$ 1,049,884	$ 944,235	$ -	$ 944,235	$ (105,649)
Total Revenues	1,049,884	944,235		944,235	(105,649)
Expenditures					
Public Safety:					
Operating Expenditures	388,164	270,857	-	270,857	117,307
Equipment	753,297	611,410	67,799	679,209	74,088
Total Expenditures	1,141,461	882,267	67,799	950,066	191,395
Revenues Over (Under) Expenditures	(91,577)	61,968	(67,799)	(5,831)	85,746
Other Financing Sources:					
Transfer from other funds:					
RICO Fund	58,957	58,957		58,957	
Total Other Financing Sources	58,957	58,957		58,957	
Revenues and Other Sources Over (Under) Expenditures Other Uses	$ (32,620)	$ 120,925	(67,799)	$ 53,126	$ 85,746
Fund balance appropriated	32,620				
Net change in fund balance	$ -				
Fund balance, beginning			120,925		
Fund balance, ending			$ 53,126		

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – GUILFORD MACKINTOSH FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Unrestricted Intergovernmental:			
Guilford County	$ -	$ -	$ -
Reimbursements		135,792	
Total	145,100	135,792	(9,308)
Sales and Service:			
Boat rentals		21,662	
Fishing fees		4,854	
Boat launch fees		7,309	
Concession sales		1,633	
Shelter rentals		3,895	
House rentals		346	
Total	40,000	39,699	(301)
Total Revenues	185,100	175,491	(9,609)
Expenditures:			
Cultural and Recreation:			
Salaries and employee benefits		145,517	
Operating expenditures		29,974	
Total Expenditures	185,100	175,491	9,609
Revenues Over (Under) Expenditures			$ -
Fund balance, beginning		-	
Fund balance, ending		$ -	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – CONTROLLED SUBSTANCE TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Unrestricted Intergovernmental			
Controlled substance funds	$ -	$ 14,485	$ -
Total Revenues		14,485	14,485
Expenditures:			
Public Safety:			
Salaries and employee benefits		46,723	
RICO Funds		37	
Total Expenditures	51,500	46,760	4,740
Revenues Over (Under) Expenditures	(51,500)	(32,275)	$ 19,225
Fund balance, appropriated	51,500		
Net change in fund balance	$ -		
Fund balance, beginning		86,722	
Fund balance, ending		$ 54,447	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – MPO PLANNING TRANSPORTATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted Intergovernmental:			
State Grant	$ -	$ 242,061	$ -
Bike/Pedes Trans Plan Fee			
Interest			
Total Revenues	410,576	242,061	(168,515)
Expenditures:			
Economic and Physical Development:			
Salaries and employee benefits		150,567	
Operating expenditures		105,112	
Special projects			
Total Expenditures	510,095	255,679	254,416
Revenues Over (Under) Expenditures	(99,519)	(13,618)	85,901
Other Financing Sources (Uses)			
Transfer from other funds:			
General Fund	99,519	99,519	
Total other financing sources	99,519	99,519	
Revenues Over (Under) Expenditures	-	85,901	$ 85,901
Fund balance, appropriated	-		
Net change in fund balance	$ -		
Fund balance, beginning		600,718	
Fund balance, ending		$ 686,619	

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, 2019

		Actual			
	Total Authorized Costs	Reported In Prior Years	Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
State Grant	$ 48,100	$ 48,100	$ -	$ 48,100	$ -
Total Revenues	48,100	48,100		48,100	
Expenditures:					
Operating Expenditures	58,898	46,481	1,407	47,888	11,010
Total Expenditures	58,898	46,481	1,407	47,888	11,010
Revenues and Other Sources Over (Under) Expenditures Other Uses	$ (10,798)	$ 1,619	(1,407)	$ 212	$ 11,010
Fund balance, appropriated	10,798				
Net change in fund balance	$ -				
Fund balance, beginning			1,619		
Fund balance, ending			$ 212		

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND – BUREAU JUST ASST COMM ORIENTED POLICING GRANT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2019

		Actual			
	Total Authorized Costs	Reported In Prior Years	Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
Restricted Intergovernmental:					
State Grant	$ 1,592,823	$ 1,063,003	$ 283,614	$ 1,346,617	$ (246,206)
Total Revenues	1,592,823	1,063,003	283,164	1,346,617	(246,206)
Expenditures					
Public Safety:					
Salaries and employee benefits	1,971,132	1,387,529	360,407	1,747,936	223,196
Total Expenditures	1,971,132	1,387,529	360,407	1,747,936	223,196
Revenues Over (Under) Expenditures	(378,309)	(324,526)	(77,243)	(401,769)	(23,460)
Other Financing Sources:					
Transfer from other funds:					
General Fund	378,309	378,106		378,106	(203)
Total Other Financing Sources	378,309	378,106		378,106	(203)
Revenues and Other Sources Over (Under) Expenditures Other Uses	$ -	$ 53,580	(77,243)	$ (23,663)	$ (23,663)
Fund balance, beginning			53,580		
Fund balance, ending			$ (23,663)		

CITY OF BURLINGTON, NORTH CAROLINA

FEB. 14, 1893

CAPITAL PROJECT FUNDS

Combining Schedules
and
Individual Fund Schedules

CITY OF BURLINGTON, NORTH CAROLINA

FEB. 14, 1893

CITY OF BURLINGTON, NORTH CAROLINA
ALL CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
For The Fiscal Year Ended June 30, 2019

	ERP System Project Fund	Trans Sidewalks & Intersections Fund	Animal Shelter Fund	Greenway/ Bikeway Fund	Willowbrook Park Arboretum Fund
ASSETS:					
Cash and cash equivalents	$ 500,908	$ 5,464,273	$ -	$ 771,136	$ 244,617
Receivables:					
Accounts					
Accrued Int. Rec.		9,045			
Due from other funds					
Total Assets	500,908	5,473,318		771,136	244,617
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable and accrued liabilities	$ 700	$ -	$ 2,285,050	$ -	$ -
Deferred revenue					
Due to other funds					
Total Liabilities	700		2,285,050		
Fund Balances					
Committed for capital improvements	$ 500,208	$ 5,473,318	$ -	$ 771,136	$ 244,617
Unassigned			(2,285,050)		
Total Fund Balances	500,208	5,473,318	(2,285,050)	771,136	244,617
Total Liabilities and Fund Balances	$ 500,908	$ 5,473,318	$ -	$ 771,136	$ 244,617

Dentzel Carousel Restoration Project	North Park Pool Project Fund	Totals
$ 1,444,646	$ 59,162	$ 8,484,742
		9,045
1,444,646	59,162	8,493,787
$ -	$ -	$ 2,285,750
		2,285,750
$ 1,444,646	$ 59,162	$ 8,493,087
		(2,285,050)
1,444,646	59,162	6,208,037
$ 1,444,646	$ 59,162	$ 8,493,787

CITY OF BURLINGTON, NORTH CAROLINA
ALL CAPITAL PROJECT FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For The Fiscal Year Ended June 30, 2019

	ERP System Project Fund	Trans Sidewalks & Intersections Fund	Animal Shelter Fund	Greenway/ Bikeway Fund	Willowbrook Park Arboretum Fund
Revenues:					
Restricted Intergovernmental	$ -	$ -	$ -	$ 60,000	$ 300
Investment earnings		9,045			
Total Revenues		9,045		60,000	300
Expenditures:					
Capital improvements	142,620	53,794	2,873,485	2,538	5,077
Total Expenditures	142,620	53,794	2,873,485	2,538	5,077
Revenues Over (Under) Expenditures	(142,620)	(44,749)	(2,873,485)	57,462	(4,777)
Other Financing Sources:					
Transfer from other funds	100,000	3,778,500	-	325,000	-
Transfer to other funds					
Total Other Financing Sources	100,000	3,778,500	-	325,000	-
Net Change in Fund Balance	(42,620)	3,733,751	(2,873,485)	382,462	(4,777)
Total Fund Balances	542,828	1,739,567	588,435	388,674	249,394
Total Liabilities and Fund Balances	$ 500,208	$ 5,473,318	$ (2,285,050)	$ 771,136	$ 244,617

Dentzel Carousel Restoration Fund	North Park Pool Project Fund	Totals
$ -	$ 160,000	$ 220,300
		9,045
	160,000	229,345
58,228	100,838	3,236,580
58,228	100,838	3,236,580
(58,228)	59,162	(3,007,235)
1,502,874	-	5,706,374
1,502,874	-	5,706,374
1,444,646	59,162	2,699,139
		3,508,898
$ 1,444,646	$ 59,162	$ 6,208,037

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, 2019

		Actual			
	Project Authorization	Reported In Prior Years	Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
Investment earnings	$ -	$ 4,342	$ -	$ 4,342	$ 4,342
Total Revenues		4,342		4,342	4,342
Expenditures					
Professional Services	51,000	152,920	-	152,920	(101,920)
Travel-Consultants	10,000	29,465	5,450	34,915	(24,915)
Software	2,403,250	1,309,987	133,335	1,443,322	959,928
Misc-Contract Fees – 1 yr					
Equipment-Hardware	157,000	448,703		448,703	(291,703)
Other Equipment	221,500	173,663	3,835	177,498	44,002
Supplies		36,026		36,026	(36,026)
Total Expenditures	2,842,750	2,150,764	142,620	2,293,384	549,366
Revenues Over (Under) Expenditures	(2,842,750)	(2,146,422)	(142,620)	(2,289,042)	553,708
Other Financing Sources:					
Transfer from other funds:					
Capital Reserve	812,650	812,650	-	812,650	-
Water and Sewer	733,100	633,100	100,000	733,100	
General Fund	1,243,500	1,243,500		1,243,500	
Total Other Financing Sources	2,789,250	2,689,250	100,000	2,789,250	-
Revenues and Other Sources Over (Under) Expenditures Other Uses	$ (53,500)	$ 542,828	(42,620)	$ 500,208	$ 553,708
Fund balance, appropriated	53,500				
Net change in fund balance	$ -				
Fund balance, beginning			542,828		
Fund balance, ending			$ 500,208		

CITY OF BURLINGTON, NORTH CAROLINA
CAPITAL PROJECTS FUND – TRANSPORATION SIDEWALKS & INTERSECTIONS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2019

		Actual			
	Project Authorization	Reported In Prior Years	Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
NCDOT Grant	$ 377,400	$ -	$ -	$ -	$ (377,400)
Investment Earnings			9,045	9,045	9,045
Total Revenues	377,400		9,045	9,045	(368,355)
Expenditures					
Transit Ped Improv. Project	2,490,800	318,704	46,154	364,858	2,125,942
Graham Hopedale & Mebane	660,900				660,900
Oneal/Rockwood/Edgewood	100,000	21,288		21,288	78,712
Forestdale Widening	301,895	291,582	7,640	299,222	2,673
Mebane & Beaumont	75,000	53,254		53,254	21,746
NCDOT Local Match Project	445,000				445,000
City Pedestrian Improv. Proj.	430,000				430,000
Traffic Sig. Upgrade - City	1,176,700				1,176,700
Resurfacing/Patching	900,000				900,000
Total Expenditures	6,580,295	684,828	53,794	738,622	5,841,673
Revenues Over (Under) Expenditures	(6,202,895)	(684,828)	(44,749)	(729,577)	5,473,318
Other Financing Sources:					
Transfer from other funds:					
General Fund	2,627,700	-	2,627,700	2,627,700	-
Capital Reserve	1,184,395	984,395	200,000	1,184,395	
Transportation Fund	2,390,800	1,440,000	950,800	2,390,800	
Total Other Financing Sources	6,202,895	2,424,395	3,778,500	6,202,895	-
Revenues and Other Sources Over (Under) Expenditures Other Uses	$ -	$ 1,739,567	3,733,751	$ 5,473,318	$ 5,473,318
Fund balance, appropriated	-				
Net change in fund balance	$ -				
Fund balance, beginning			1,739,567		
Fund balance, ending			$ 5,473,318		

CITY OF BURLINGTON, NORTH CAROLINA
CAPITAL PROJECTS FUND – ANIMAL SHELTER
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2019

		Actual			
	Project Authorization	Reported In Prior Years	Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
Donations – Animal Shelter Building	$ 3,650,000	$ 1,535	$ -	$ 1,535	$ (3,648,465)
Total Revenues	3,650,000	1,535		1,535	(3,648,465)
Expenditures:					
Professional Services	480,000	435,194	64,150	499,344	(19,344)
Equipment Not Capitalized	30,000	27,271	2,729	30,000	
Buildings	4,495,140	413,270	2,699,120	3,112,390	1,382,750
Contingency	221,660	114,165	107,486	221,651	9
Total Expenditures	5,226,800	989,900	2,873,485	3,863,385	1,363,415
Revenues Over (Under) Expenditures	(1,576,800)	(988,365)	(2,873,485)	(3,861,850)	(2,285,050)
Other Financing Sources:					
Transfer from other funds:					
Op. Transfer In General Fund	1,576,800	1,576,800	-	1,576,800	-
Total Other Financing Sources	1,576,800	1,576,800	-	1,576,800	-
Revenues and Other Sources Over (Under) Expenditures Other Uses	$ -	$ 588,435	(2,873,485)	$ (2,285,050)	$ (2,285,050)
Fund balance, appropriated	-				
Net change in fund balance	$ -				
Fund balance, beginning			588,435		
Fund balance, ending			$ (2,285,050)		

CITY OF BURLINGTON, NORTH CAROLINA
CAPITAL PROJECTS FUND – GREENWAY/BIKEWAY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2019

		Actual			
	Project Authorization	Reported In Prior Years	Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
Donations					
Greenway/Bikeway	$ 420,000	$ 360,000	$ 60,000	$ 420,000	$ -
Total Revenues	420,000	360,000	60,000	420,000	-
Expenditures					
Front St Greenway/Bikeway	500,000	1,326	2,538	3,864	496,136
Ruby Lane Trailhead	50,000				50,000
Town & Country Bikeway	225,000				225,000
Total Expenditures	775,000	1,326	2,538	3,864	771,136
Revenues Over (Under) Expenditures	(355,000)	358,674	57,462	416,136	771,136
Other Financing Sources:					
Transfer from other funds:					
Operating Transfer In	355,000	30,000	325,000	355,000	
Total Other Financing Sources	355,000	30,000	325,000	355,000	
Revenues and Other Sources Over (Under) Expenditures Other Uses	$ -	$ 388,674	382,462	$ 771,136	$ 771,136
Fund balance, appropriated	-				
Net change in fund balance	$ -				
Fund balance, beginning			388,674		
Fund balance, ending			$ 771,136		

CITY OF BURLINGTON, NORTH CAROLINA
CAPITAL PROJECTS FUND – WILLOWBROOK ARBORETUM
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2019

		Actual			
	Project Authorization	Reported In Prior Years	Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
Donations	$ 637,560	$ -	$ 300	$ 300	$ (637,260)
PARTF Grant	296,690				(296,690)
Contributed Capital	1,115,750				(1,115,750)
Total Revenues	2,050,000		300	300	(2,049,700)
Expenditures:					
Professional Services	15,000	606	355	961	14,039
Capital Other Improvements	350,000		4,722	4,722	345,278
Buildings	1,776,650				1,776,650
Contingency	158,350				158,350
Total Expenditures	2,300,000	606	5,077	5,683	2,294,317
Revenues Over (Under) Expenditures	(250,000)	(606)	(4,777)	(5,383)	244,617
Other Financing Sources:					
Transfer from other funds:					
Op. Transfer In General Fund	250,000	250,000	-	250,000	-
Total Other Financing Sources	250,000	250,000	-	250,000	-
Revenues and Other Sources Over (Under) Expenditures Other Uses	$ -	$ 249,394	(4,777)	$ 244,617	$ 244,617
Fund balance, appropriated	-				
Net change in fund balance	$ -				
Fund balance, beginning			249,394		
Fund balance, ending			$ 244,617		

CITY OF BURLINGTON, NORTH CAROLINA
CAPITAL PROJECTS FUND – DENTZEL CAROUSEL RESTORATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2019

		Actual			
	Project Authorization	Reported In Prior Years	Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
Donations	$ -	$ -	$ -	$ -	$ -
Total Revenues					
Expenditures:					
Buildings	277,880	-	-	-	277,880
Capital Other Improvements	1,211,100		58,228	58,228	1,152,872
Contingency	13,894				13,894
Total Expenditures	1,502,874		58,228	58,228	1,444,646
Revenues Over (Under) Expenditures	(1,502,874)		(58,228)	(58,228)	1,444,646
Other Financing Sources:					
Transfer from other funds:					
Op. Transfer In	1,502,874	-	1,502,874	1,502,874	-
Total Other Financing Sources	1,502,874		1,502,874	1,502,874	
Revenues and Other Sources Over (Under) Expenditures Other Uses	$ -	$ -	1,444,646	$ 1,444,646	$ 1,444,646
Fund balance, appropriated	-				
Net change in fund balance	$ -				
Fund balance, beginning					
Fund balance, ending			$ 1,444,646		

CITY OF BURLINGTON, NORTH CAROLINA
CAPITAL PROJECTS FUND – NORTH PARK POOL PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2019

		Actual			
	Project Authorization	Reported In Prior Years	Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
Donations	$ 200,000	$ -	$ 160,000	$ 160,000	$ (40,000)
Total Revenues	200,000		160,000	160,000	(40,000)
Expenditures:					
Capital Other Improvements	200,000	-	100,838	100,838	99,162
Total Expenditures	200,000		100,838	100,838	99,162
Revenues Over (Under) Expenditures	-		59,162	59,162	59,162
Other Financing Sources:					
Transfer from other funds:					
Op. Transfer In	-	-	-	-	-
Total Other Financing Sources					
Revenues and Other Sources Over (Under) Expenditures Other Uses	$ -	$ -	59,162	$ 59,162	$ 59,162
Fund balance, appropriated	-				
Net change in fund balance	$ -				
Fund balance, beginning					
Fund balance, ending			$ 59,162		

ENTERPRISE FUNDS

Individual Fund Schedules

CITY OF BURLINGTON, NORTH CAROLINA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2019

	Public Transportation Fund	Storm Water Fund	Totals
ASSETS:			
Current:			
Cash and cash equivalents	$ 10,815	$ 3,762,873	$ 3,773,688
Accounts Receivables, net	50,674	225,770	276,444
Inventory			
Due from other funds			
Total current assets	61,489	3,988,643	4,050,132
Noncurrent:			
Construction in progress	-	402,635	402,635
Depreciable capital assets, net	502,735	564,017	1,066,752
Total noncurrent assets	502,735	966,652	1,469,387
Total assets	564,224	4,955,295	5,519,519
Deferred Outflow of Resources			
Contributions to Pension Plan	-	14,220	14,220
LIABILITIES AND FUND BALANCES:			
Current:			
Accounts payable and accrued Liabilities	$ 2,708,534	$ 32,886	$ 2,741,420
Compensated absences	2,056	1,358	3,414
Due to other funds			
Total current liabilities	2,710,590	34,244	2,744,834
Noncurrent:			
Pension liability	-	18,391	18,391
Compensated absences	6,170	4,073	10,243
Total noncurrent assets	6,170	22,464	28,634
Total liabilities	2,716,760	56,708	2,773,468
Deferred Outflow of Resources			
Contributions to Pension Plan	-	171	171
Fund Balances:			
Net investment in capital	502,735	966,652	1,469,387
Unrestricted	(2,655,271)	3,945,984	1,290,713
Total net position	$ (2,152,536)	$ 4,912,636	$ 2,760,100

CITY OF BURLINGTON, NORTH CAROLINA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION
For the Fiscal Year Ended June 30, 2019

	Public Transportation Fund	Storm Water Fund	Totals
Operating Revenues:			
Charges for services	$ 59,176	$ 1,164,383	$ 1,223,559
Other operating revenues	872,054	6,060	878,114
Total Operating revenues	931,230	1,170,443	2,101,673
Operating Expenses:			
Administration	176,644	361,160	537,804
Operating expenditures	1,305,486	206,928	1,512,414
Depreciation	249,123	55,659	304,782
Total Operating Expenses	1,731,253	623,747	2,355,000
Operating income (loss)	(800,023)	546,696	(253,327)
Non-Operating Revenue (Expenses):			
Interest on Investments	-	38,018	38,018
Income (loss) before capital Contributions and transfers	(800,023)	584,714	(215,309)
Transfer from other funds	(950,800)	-	(950,800)
Transfer to other funds	253,353		253,353
Change in net position	(1,497,470)	584,714	(912,756)
Total net position-previously reported	-	-	-
Restatement			
Total net position-beginning	(655,066)	4,327,922	3,672,856
Total net position-ending	$ (2,152,536)	$ 4,912,636	$ 2,760,100

CITY OF BURLINGTON, NORTH CAROLINA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
For The Fiscal Year Ended June 30, 2019

	Public Transportation Fund	Storm Water Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 1,166,389	$ 1,250,330	$ 2,416,719
Cash paid for goods and services	(279,484)	(353,972)	$ (633,456)
Cash paid to or on behalf of employees for services	(168,418)	(357,593)	(526,011)
Net cash provided by operating activities	718,487	538,765	1,257,252
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Increase (decrease) in interfund payables	-	(356,294)	(356,294)
Transfers from other funds	253,353	-	253,353
Transfers to other funds	(950,800)	-	(950,800)
Total cash flows used by noncapital financing activities	(697,447)	(356,294)	(1,053,741)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(21,040)	(355,495)	(376,535)
Net cash used by capital and related financing activities	(21,040)	(355,495)	(376,535)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	-	35,732	35,732
Net increase (decrease) in cash and cash equivalents	-	(137,292)	(137,292)
Balances-beginning of the year	10,815	3,900,165	3,910,980
Balances-end of the year	10,815	3,762,873	3,773,688
Reconciliation of operating income to net cash provided by operating activities			
Operating income (loss)	(800,023)	546,696	(253,327)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	249,123	55,659	304,782
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	235,159	79,887	315,046
(Increase) decrease in deferred outflows of resources pensions	-	(5,313)	(5,313)
Increase in net pension liability	-	6,765	6,765
Decrease in deferred inflows of resources pensions	-	(321)	(321)
Increase (decrease) in accounts payable and accrued liabilities	1,026,002	(147,044)	- 878,958
Increase (decrease) in accrued vacation payable	8,226	2,436	10,662
Net cash provided by operating activities	718,487	538,765	1,257,252

CITY OF BURLINGTON, NORTH CAROLINA
PUBLIC TRANSPORTATION FUND
SCHEDULE OF REVENUE AND EXPENDITURES BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
Donations	$ -	$ -	
Alamance Co. contribution	25,000	25,000	
ACC contribution	25,000	25,000	
Hayden Harman contribution	10,000		
United Way contribution	25,000	25,000	
Transit vehicle tax	200,000	220,920	
State development grant	150,000	165,877	
Federal reimbursement	1,478,059	254,737	
Gibsonville reimbursement	35,000	21,621	
PART card sales		5,304	
State Smap funds	100,000	133,899	
Fare box revenue	100,000	53,079	
$1 replacement cards		793	
Total Operating Revenues	2,148,059	931,230	(1,216,829)
Nonoperating Revenues:			
Other fees and charges	-	-	-
Total Nonoperating Revenues			
Total Revenues	2,148,059	931,230	(1,216,829)
Expenditures:			
Salaries and employee benefits	205,922	168,418	
Operating expenditures	1,447,234	1,305,350	
Capital outlay	47,456	21,176	
Total Expenditures	1,700,612	1,494,944	205,668
Revenues Over (Under) Expenditures	447,447	(563,714)	(1,011,161)
Other Financing Sources (Uses):			
Transfers from other funds:			
General Fund	253,353	253,353	-
Transfers to other funds:			
Transportation Sidewalks Intersection Improvements	(950,800)	(950,800)	-
Workmen's Compensation Self Insurance Fund			
Water Capital Reserve			
Sewer Capital Reserve			
Total Other Financing Sources (Uses)	(697,447)	(697,447)	-
Revenues and Other Sources Over (Under) Expenditures	(250,000)	(1,261,161)	(1,011,161)
Fund Equity Appropriated	250,000		
	$ -		

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
PUBLIC TRANSPORTATION FUND
SCHEDULE OF REVENUE AND EXPENDITURES BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues and other sources over Expenditures and other uses		(1,261,161)	
Reconciling Items:			
Depreciation		(249,123)	
Capital Outlay		21,040	
Increase in Vacation Payable		(8,226)	
Pension Expense			
Net Income		$ (1,497,470)	

CITY OF BURLINGTON, NORTH CAROLINA
STORM WATER FUND
SCHEDULE OF REVENUE AND EXPENDITURES BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
Stormwater fees	$ 1,094,000	$ 1,164,383	$
Permit fees		6,060	
Total Operating Revenues	1,094,000	1,170,443	76,443
Nonoperating Revenues:			
Other fees and charges	-	38,018	
Total Nonoperating Revenues		38,018	38,018
Total Revenues	1,094,000	1,208,461	114,461
Expenditures:			
Salaries and employee benefits	351,101	357,593	
Operating expenditures	261,250	205,952	
Capital improvements	826,650	291,956	
Engineering/professional fees	60,000	64,515	
Equipment			
Total Expenditures	1,499,001	920,016	578,985
Revenues Over (Under) Expenditures	(405,001)	288,445	693,446
Other Financing Sources (Uses):			
Transfers from other funds:			
Mebane St/Grand Oaks	-	-	-
Revenues Over (Under) Expenditures	(405,001)	$ 288,445	$ 693,446
Fund Equity Appropriated	405,001		
	$ -		

Reconciliation from budgetary basis (modified accrual) to full accrual:	
Revenues over expenditures	$ 288,445
Reconciling Items:	
Depreciation	(55,659)
Capital Outlay	355,495
Increase in accrued vacation payable	(2,436)
Increase deferred outflows of resources – pensions	5,313
Increase in pension liability	(6,765)
Decrease deferred inflows of resources – pensions	321
Net Income	$ 584,714

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
Water sales	$ 13,242,305	$ 12,490,872	$ -
Sewer charges	16,047,302	17,207,007	
Water taps	140,000	318,871	
Sewer taps	25,000	47,441	
Total Operating Revenues	29,454,607	30,064,191	609,584
Other Operating Revenues:			
Interest on investments	150,000	632,007	
Interest on assessments	2,700	6,572	
Miscellaneous	280,620	527,208	
Water and sewer assessments			
Water line assessments			
Sewer line assessments			
Water connection fees			
Sewer connection fees		1,406	
State grant		142,500	
Other fees and charges	131,500	316,104	
Total Nonoperating Revenues	564,820	1,625,797	1,060,977
Total Revenues	30,019,427	31,689,988	1,670,561
Expenditures:			
Building and Administrative-Water:			
Salaries and employee benefits	763,941	557,992	
Operating expenditures	683,536	492,308	
Reimb. to General Fund	2,300,000	2,300,000	
Total	3,747,477	3,350,300	397,177
Customer Services:			
Salaries and employee benefits	667,600	541,296	
Maintenance	399,252	308,365	
Other operating expenditures	777,485	768,110	
Total	1,844,337	1,617,771	226,566
Supervision:			
Salaries and employee benefits	305,120	308,621	
Maintenance	28,000	20,630	
Other operating expenditures	75,700	51,894	
Total	408,820	381,145	27,675

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Water Line - Maintenance and Repairs:			
Salaries and employee benefits	486,273	447,034	
Maintenance	218,500	191,101	
Other operating expenditures	77,100	50,107	
Total	781,873	688,242	93,631
Sewer Line - Maintenance and Repairs:			
Salaries and employee benefits	385,499	390,126	
Maintenance	155,500	127,335	
Other operating expenditures	72,700	56,791	
Total	613,699	574,252	39,447
Water Line Service and Construction:			
Salaries and employee benefits	224,272	148,902	
Maintenance	71,000	113,095	
Other operating expenditures	127,300	25,246	
Materials - taps	130,000	95,991	
Materials – lines		33,094	
Total	552,572	416,328	136,244
Sewer Line Service and Construction:			
Salaries and employee benefits	150,257	122,226	
Other operating expenditures	71,800	46,091	
Materials - taps	40,000	53,774	
Materials – lines	60,325	14,541	
Total	322,382	236,632	85,750
Supervision:			
Salaries and employee benefits	612,468	627,422	
Maintenance	14,000	10,825	
Other operating expenditures	140,850	61,673	
Total	767,318	699,920	67,398
Water Sources - Protection:			
Salaries and employee benefits	50,848	53,472	
Utilities	110,000	95,798	
Maintenance	99,000	95,920	
Other operating expenditures	36,400	6,621	
Total	296,248	251,811	44,437

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Expenditures: (continued)			
Ed Thomas Water Plant:			
Salaries and employee benefits	582,601	586,220	
Chemicals	500,000	503,430	
Utilities	220,000	170,635	
Maintenance	137,000	124,933	
Other operating expenditures	25,400	23,955	
Total	1,465,001	1,409,173	55,828
Lake Mackintosh Water Plant:			
Salaries and employee benefits	575,358	588,184	
Chemicals	580,000	524,572	
Utilities	285,000	227,503	
Maintenance	395,000	409,248	
Other operating expenditures	55,550	57,361	
Total	1,890,908	1,806,868	84,040
South Burlington Waste Treatment Plant:			
Salaries and employee benefits	685,845	567,856	
Chemicals	150,000	127,083	
Utilities	555,000	595,034	
Maintenance	700,000	838,343	
Other operating expenditures	58,900	47,965	
Total	2,149,745	2,176,281	(26,536)
East Burlington Waste Treatment Plant:			
Salaries and employee benefits	818,722	795,945	
Chemicals	150,000	133,689	
Utilities	535,000	547,954	
Maintenance	810,000	848,633	
Other operating expenditures	65,000	48,692	
Sludge disposal	88,700	67,971	
Total	2,467,422	2,442,884	24,538
Laboratories:			
Salaries and employee benefits	401,569	395,119	
Maintenance	42,500	42,307	
Other operating expenditures	111,400	104,844	
Total	555,469	542,270	13,199

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Expenditures: (continued)			
Plants Maintenance:			
Salaries and employee benefits	693,805	693,352	
Maintenance	113,500	91,503	
Other operating expenditures	271,825	247,022	
Total	1,079,130	1,031,877	47,253
Lakes and Marinas:			
Salaries and employee benefits	354,141	365,138	
Utilities	50,800	43,669	
Maintenance	20,470	21,704	
Other operating expenditures	50,364	62,635	
Total	475,775	493,146	(17,371)
Debt Service:			
Principal water bonds	781,816	781,607	
Interest - water bonds	468,534	468,441	
Principal - sewer bonds	1,287,184	1,286,950	
Interest - sewer bonds	1,078,838	1,078,406	
Total	3,616,372	3,615,404	968

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Capital Outlay:			
Water lines	931,914	419,496	
Miscellaneous water	583,737	453,098	
Sewer lines	1,190,000	970,055	
Miscellaneous sewer	419,540	341,892	
Miscellaneous water & sewer	515,479	379,927	
Total Capital Outlay	3,640,670	2,564,468	1,076,202
Total Expenditures	26,675,218	24,298,772	2,376,446
Revenues Over (Under) Expenditures	3,344,209	7,391,216	4,047,007
Other Financing Sources (Uses):			
Transfers from other funds:			
Jordan Lake Rules			
Stony Creek Lake Cammack			
Jordan Lake Rules #2			
Transfers to other funds:			
JD Mack. Treatment Plant			
Group Health Insurance Fund	(291,424)	(291,424)	
ERP	(100,000)	(100,000)	
Workmen's Compensation Self Insurance Fund	(380,502)	(380,502)	
Water Capital Reserve	(1,423,949)	(1,423,949)	
Sewer Capital Reserve	(1,423,949)	(1,423,949)	
Total Other Financing Sources (Uses)	(3,619,824)	(3,619,824)	
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(275,615)	$ 3,771,392	$ 4,047,007
Fund Equity Appropriated	275,615		
	$ -		

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES BUDGET AND ACTUAL (NON-GAAP) For the Fiscal Year Ended June 30, 2019

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

Revenues and other sources over expenditures and other uses	$	3,771,392
Reconciling Items:		
Principal retirement		2,068,557
Amortization of gain on defeasance		11,668
Amortization of bond premium		42,062
Capital outlay		2,558,574
Operating transfers (in) out		2,847,898
Increase in inventories		188,625
Decrease in accrued interest payable		70,989
Decrease in accrued vacation payable		40,416
Increase in deferred outflows of resources - pensions		191,537
Decrease in deferred inflows of resources - pensions		31,811
Increase in pension liability		(669,692)
Increase in deferred outflows of resources - OPEB		27,453
Increase in deferred inflows of resources - OPEB		(2,319)
Decrease in OPEB liability		64,197
Depreciation		(6,394,630)
Capital projects revenues		400,081
Capital projects expenditures		(129,018)
Net Income	$	5,119,601

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, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment earnings	$ -	$ 202,214	$ 202,214
Total revenues		202,214	202,214
Expenditures:			
Capital Outlay	523,949		523,949
Total Expenditures	523,949		523,949
Revenues Over (Under) Expenditures	(523,949)	202,214	726,163
Other Financing Sources (Uses):			
Transfer from other funds:			
Water and Sewer Fund	523,949	1,423,949	900,000
Hwy 87 Ossipee Water Line			
Mebane St/Grand Oaks Water			
Total Other Financing Sources (Uses)	523,949	1,423,949	900,000
Revenues and Other Sources Over (Under) Expenditures and Other Uses		$ 1,626,163	$ 1,626,163
Fund balance Appropriated	-		
Net change in fund balance	$ -		
Fund balance, beginning		14,629,335	
Fund balance, ending		$ 16,255,498	

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, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment earnings	$ -	$ 197,867	$ 197,867
Total revenues		197,867	197,867
Expenditures:			
Capital Outlay	523,949		523,949
Total Expenditures	523,949		523,949
Revenues Over (Under) Expenditures	(523,949)	197,867	(326,082)
Other Financing Sources (Uses):			
Transfer to other funds:			
Sewer Expansion/Airport	-	-	-
Transfer from other funds:			
Water and Sewer Fund	523,949	1,423,949	900,000
Hwy 87 Ossipee Water Line			
Mebane St/Grand Oaks Water			
Total Other Financing Sources (Uses)	523,949	1,423,949	900,000
Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	$ 1,621,816	$ 1,621,816
Fund balance Appropriated	-		
Net change in fund balance	$ -		
Fund balance, beginning		12,317,268	
Fund balance, ending		$ 13,939,084	

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER CAPITAL PROJECTS – TANK REMOVAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES BUDGET AND ACTUAL (NON-GAAP)
From Inception And For the Fiscal Year Ended June 30, 2019

		Actual			
	Project Authorization	Reported In Prior Years	Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
Restricted Intergovernmental:					
UST reimbursement	$ 335,000	$ 502,754	$ -	$ 502,754	$ 167,754
Miscellaneous:					
Investment earnings		2,818		2,818	2,818
Sales tax refunds		520		520	520
Total Revenues	335,000	506,092		506,092	171,092
Expenditures:					
Tank removal	835,000	866,696		866,696	(31,696)
Utilities		9,521		9,521	(9,521)
Remediation	120,600				120,600
Total Expenditures	955,600	876,217		876,217	79,383
Revenues Over (Under) Expenditures	(620,600)	(370,125)		(370,125)	250,475
Other Financing Sources:					
Transfer from other funds:					
Water Capital Reserve Fund	500,000	500,000		500,000	
Capital Reserve Fund	120,600	120,600		120,600	
Total Other Financing Sources	620,600	620,600		620,600	
Revenues and Other Sources Over (Under) Expenditures Other Uses	$ -	$ 250,475	-	$ 250,475	$ 250,475

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER CAPITAL PROJECTS – SEWER SERVICE EXPANSION/AIRPORT
SCHEDULE OF REVENUES, EXPENDITURES BUDGET AND ACTUAL (NON-GAAP)
From Inception And For the Fiscal Year Ended June 30, 2019

	Project Authorization	Actual: Reported In Prior Years	Actual: Current Year	Actual: Total To Date	Variance Positive (Negative)
Revenues:					
Restricted Intergovernmental:					
Airport donation	$ 167,000	$ -	$ -	$ -	$ (167,000)
Alamance County donation	100,000				(100,000)
Total Revenues	267,000				(267,000)
Expenditures:					
Airport sewer expansion	506,200		7,512	7,512	498,688
Total Expenditures	506,200		7,512	7,512	498,688
Revenues Over (Under) Expenditures	(239,200)		(7,512)	(7,512)	231,688
Other Financing Sources:					
Transfer to other funds:					
Sewer Capital Reserve Fund					
Transfer from other funds:					
Sewer Capital Reserve Fund	239,200	239,200		239,200	
Total Other Financing Sources	239,200	239,200		239,200	
Revenues and Other Sources Over (Under) Expenditures Other Uses	$ -	$ 239,200	(7,512)	$ 231,688	$ 231,688

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER CAPITAL PROJECTS – JD MACKINTOSH TREATMENT PROCESS
SCHEDULE OF REVENUES, EXPENDITURES BUDGET AND ACTUAL (NON-GAAP)
From Inception And For the Fiscal Year Ended June 30, 2019

		Actual			
	Project Authorization	Reported In Prior Years	Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
Restricted Intergovernmental:					
Airport donation	$ -	$ -	$ -	$ -	$ -
Alamance County donation					
Total Revenues					
Expenditures:					
Professional services	129,000		121,506	121,506	7,494
Buildings	1,171,000				1,171,000
Total Expenditures	1,300,000		121,506	121,506	1,178,494
Revenues Over (Under) Expenditures	(1,300,000)		(121,506)	(121,506)	(1,178,494)
Other Financing Sources:					
Transfer to other funds:					
Sewer Capital Reserve Fund					
Transfer from other funds:					
Water & Sewer Fund	1,300,000	1,300,000		1,300,000	
Total Other Financing Sources	1,300,000	1,300,000		1,300,000	
Revenues and Other Sources Over (Under) Expenditures Other Uses	$ -	$ 1,300,000	(121,506)	$ 1,178,494	$ 1,178,494

CITY OF BURLINGTON, NORTH CAROLINA

FEB. 14, 1893

INTERNAL SERVICE FUND

Combining Schedules
And Individual Fund Schedules

CITY OF BURLINGTON, NORTH CAROLINA
ALL INTERNAL SERVICE FUNDS
STATEMENT OF NET ASSETS
June 30, 2019

	Dental Self Insurance Fund	Worker's Compensation Fund	Health Insurance Fund	Total Internal Service Fund
ASSETS:				
Current Assets:				
Cash and cash equivalents	$ 1,282,299	$ 498,011	$ 2,053,761	$ 3,834,071
Accounts receivable	25,454	281	239,297	265,032
Due from other funds				
Prepaid insurance				
Total Current Assets	1,307,753	498,292	2,293,058	4,099,103
LIABILITIES AND FUND BALANCES:				
Current Liabilities:				
Accounts payable and accrued liabilities	116,492	126,340	734,257	977,089
Total Current Liabilities	116,492	126,340	734,257	977,089
Net Assets:				
Unrestricted	1,191,261	371,952	1,558,801	3,122,014
Total Net Assets	$ 1,191,261	$ 371,952	$ 1,558,801	$ 3,122,014

CITY OF BURLINGTON, NORTH CAROLINA
ALL INTERNAL SERVICE FUNDS
COMBINING SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
June 30, 2019

	Dental Self Insurance Fund	Worker's Compensation Fund	Health Insurance Fund	Total Internal Service Fund
Operating Revenues:				
Charges for service	$ 705,985	$ -	$ 7,308,983	$ 8,014,968
Total Operating Revenues	705,985		7,308,983	8,014,968
Operating Expenses:				
Salaries and employee benefits		295,731	194,631	490,362
Operating expenses	36,936	47,292	41,195	125,423
Claims paid, excess loss coverage and claims administration	626,894	613,384	8,201,881	9,442,159
Total Operating Expenses	663,830	956,407	8,437,707	10,057,944
Operating Income (loss)	42,155	(956,407)	(1,128,724)	(2,042,976)
Non-Operating Revenues:				
Interest earned on investments	10,917		13,272	24,189
Total Non-Operating Revenues	10,917		13,272	24,189
Income (loss) before transfer	53,072	(956,407)	(1,115,452)	(2,018,787)
Transfer from other funds	-	946,270	1,124,359	2,070,629
Change in net assets	53,072	(10,137)	8,907	51,842
Total net assets - beginning	1,138,189	382,089	1,549,894	3,070,172
Net Assets, End of Year	$ 1,191,261	$ 371,952	$ 1,558,801	$ 3,122,014

CITY OF BURLINGTON, NORTH CAROLINA
ALL INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS FINANCIAL PLAN AND ACTUAL (NON-GAAP)
For The Fiscal Year Ended June 30, 2019

	Dental Self Insurance Fund	Worker's Compensation Fund	Health Insurance Fund	Total Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 702,816	$ -	$ 7,268,056	$ 7,970,872
Cash paid for goods and services	(664,574)	(657,398)	(8,269,208)	(9,591,180)
Cash paid to employees		(295,731)	(194,631)	(490,362)
Net cash provided by Operating activities	38,242	(953,129)	(1,195,783)	(2,110,670)
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES				
(Increase) Decrease in due from other funds				
Net cash provided (used) By noncapital financing activities				
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfer from other funds:				
General Fund		565,768	832,935	1,398,703
Water Resources		380,502	291,424	671,926
Net cash provided by capital And related financing activities		946,270	1,124,359	2,070,629
CASH FLOW FROM INVESTING ACTIVITIES:				
Interest earned on investments	10,917		13,272	24,189
Total Non-Operating Revenues	10,917		13,272	24,189
Net Increase (Decrease) in Cash and Cash Equivalents	49,159	(6,859)	(58,152)	(15,852)
Transfer from other funds				
Balances – Beginning of Year	1,233,140	504,870	2,111,913	3,849,923
Balances – End of Year	$ 1,282,299	$ 498,011	$ 2,053,761	$ 3,834,071

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
ALL INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS FINANCIAL PLAN AND ACTUAL (NON-GAAP)
For The Fiscal Year Ended June 30, 2019

	Dental Self Insurance Fund	Worker's Compensation Fund	Health Insurance Fund	Total Internal Service Fund
Reconciliation of Operating Income To Net Cash Provided by Operating Activities:				
Operating income (loss)	$ 42,155	$ (956,407)	$ (1,128,724)	$ (2,042,976)
Adjustments to reconcile operating Income to net cash provided by operating activities:				
(Increase) Decrease in accounts receivable	(3,169)		(40,927)	(44,096)
(Increase) Decrease in prepaid insurance				
(Increase) Decrease in accounts payable	(744)	3,277	(26,132)	(23,599)
Net cash provided by operating activities	$ 38,242	$ (953,130)	$ (1,195,783)	$ (2,110,671)

CITY OF BURLINGTON, NORTH CAROLINA
DENTAL SELF INSURANCE FUND
SCHEDULE OF REVENUE AND EXPENDITURES BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
City of Burlington	$ -	$ 574,577	$ -
Employee premium		131,408	
Total Operating Revenues	512,854	705,985	193,131
Non-operating Revenues:			
Investment earnings		10,917	10,917
Total Revenues	512,854	716,902	204,048
Expenditures:			
City of Burlington claims		626,252	
Operating expenditures		36,936	
Total Expenditures	646,011	663,188	(17,177)
Revenues Over (Under) Expenditures	$ (133,157)	$ 53,714	$ 186,871
Fund balance appropriated	133,157		
Net change in fund balance	$ -		

Reconciliation from financial plan basis (modified accrual) to full accrual basis:

Revenues over expenditures	$ 53,714
Reconciling Items:	
Decrease in allowance for unfiled claims	(642)
Net Income	$ 53,072

CITY OF BURLINGTON, NORTH CAROLINA
WORKERS COMPENSATION SELF INSURANCE FUND
SCHEDULE OF REVENUE AND EXPENDITURES BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
City of Burlington	$ -	$ -	$ -
Total Operating Revenues			
Non-operating Revenues:			
Investment earnings			
Total Revenues			
Expenditures:			
Salaries and employee benefits		295,731	
Operating expenditures		47,292	
Contractual services		191,067	
Workers compensation		421,939	
Safety training		378	
Total Expenditures	1,037,481	956,407	81,074
Revenues Over (Under) Expenditures	$ (1,037,481)	$ (956,407)	$ 81,074
Other Financing Sources			
Transfer from other funds:			
General Fund		565,768	
Water and Sewer Fund		380,502	
Total Other Financing Sources	946,270	946,270	
Revenues and Other Sources Over (Under) Expenditures	$ (91,211)	$ (10,137)	$ 81,074
Fund balance appropriated	91,211		
Net change in fund balance	$ -		

Reconciliation from financial plan basis (modified accrual) to full accrual basis:

Revenues Over (Under) expenditures	$ (10,137)
Reconciling Items:	
Decrease in allowance for unfiled claims	-
Net Income (loss)	$ (10,137)

CITY OF BURLINGTON, NORTH CAROLINA
GROUP HEALTH BENEFIT SELF INSURANCE FUND
SCHEDULE OF REVENUE AND EXPENDITURES BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
City of Burlington	$ -	$ 5,986,836	$ -
City of Burlington employee premium		1,322,147	
Total Operating Revenues	5,817,368	7,308,983	1,491,615
Non-operating Revenues:			
Investment earnings		13,272	13,272
Total Revenues	5,817,368	7,322,255	1,504,887
Expenditures:			
Salaries and employee benefits		194,631	
Operating expenditures		41,195	
Third party administration		348,077	
City of Burlington Claims		7,884,175	
Total Expenditures	8,199,981	8,468,078	(268,097)
Revenues Over (Under) Expenditures	$ (2,382,613)	$ (1,145,823)	$ 1,236,790
Other Financing Sources			
Transfer from other funds:			
General Fund	1,292,935	832,935	(460,000)
Water and Sewer Fund	291,424	291,424	
Total Other Financing Sources	1,584,359	1,124,359	(460,000)
Revenues and Other Sources Over (Under) Expenditures	$ (798,254)	$ (21,464)	$ 776,790
Fund balance appropriated	798,254		
Net change in fund balance	$ -		

Reconciliation from financial plan basis (modified accrual) to full accrual basis:

Revenues Over (Under) expenditures	$ (21,464)
Reconciling Items:	
Increase in allowance for unfiled claims	30,371
Net Income (loss)	$ 8,907

CITY OF BURLINGTON, NORTH CAROLINA

FEB. 14, 1893

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, 2019

Fiscal Year	Uncollected Balance June 30, 2018	Additions	Collections And Credits	Uncollected Balance June 30, 2019
2018-2019	$	$ 29,834,768	$ 29,432,283	$ 402,485
2017-2018	380,121	-	182,682	197,439
2016-2017	218,556	-	75,875	142,681
2015-2016	164,235	-	52,086	112,149
2014-2015	104,592	-	17,948	86,645
2013-2014	100,988	-	11,285	89,703
2012-2013	96,598	-	6,307	90,291
2011-2012	76,069	-	7,067	69,002
2010-2011	73,339	-	6,997	66,342
2009-2010	66,025	-	7,071	58,954
2008-2009	74,013	-	14,686	59,327
1965-2008	162,652	-	36,467	126,185
	$ 1,517,188	$ 29,834,768	$ 29,850,754	$ 1,501,201

Less: Allowance for uncollectible accounts:	
General Fund	(633,963)
Special Revenue Fund	(35,653)
Ad Valorem Taxes Receivable - Net	$ 831,585.66

Reconcilement with Revenues:

Taxes - ad valorem - General Fund	$ 29,757,227
Taxes - ad valorem - Special Revenue Fund	144,353
Total	29,901,580
Reconciling Items:	
Discounts allowed	84,061
Interest collected	(87,712)
Taxes written off	(109,322)
Total Collections and Credits	$ 29,788,607

CITY OF BURLINGTON, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
CITY WIDE LEVY
For the Fiscal Year Ended June 30, 2019

	Total Levy				
	City-Wide			Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
	Property Valuation	Rate per $100	Total Levy		
City-Wide Levy:					
Original Levy:					
Property taxed at current year's rate	$ 4,917,547,326	.5973	$ 29,372,510	$ 26,619,755	$ 2,752,756
Penalties	-		29,357	29,357	-
Total	4,917,547,326		29,401,868	26,649,112	2,752,756
Discoveries:					
Current year taxes	119,951,432	.5973	730,385	730,385	-
Prior year taxes	-		-	-	-
Penalties	-		-	-	-
Total	119,951,432		730,385	730,385	-
Abatements and Adjustments:					
Advertising, interest and adjustments	-		-	-	-
Abatements	(35,094,902)	.5973	(184,151)	(184,151)	-
Total	(35,094,902)		(184,151)	(184,151)	-
Total Property Valuation	$ 5,002,403,856				
Net City Wide levy			29,948,102	27,195,346	2,752,756
Uncollected Taxes at June 30, 2019			(400,484)	(381,824)	(18,659)
Current Year's Taxes Collected			$ 29,547,618	$ 26,813,522	$ 2,734,096
Current City-Wide Levy Collection Percentage			98.66%	98.60%	99.32%
Downtown Special Tax District:					
Original Levy:					
Property taxed at current year's rate	$ 83,613,097	.1700	$ 142,142	$ 141,224	$ 918
Penalties	-		129	129	-
Discoveries:					
Current year taxes	-		-	-	-
Abatements and Adjustments:					
Abatements	-		-	-	-
Total Property Valuation	$ 83,613,097				
Net Downtown Special Tax District Levy			142,271	141,352	918
Uncollected Taxes at June 30, 2019			(2,001)	(2,001)	-
Current Year's Taxes Collected			$ 140,270	$ 139,352	$ 918
Current Downtown Special Tax District Levy Collection Percentage			98.59%	98.58%	100.00%

CITY OF BURLINGTON, NORTH CAROLINA

FEB. 14, 1893

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.

Contents **Page**

Financial Trends 144-152

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 153-156

These schedules contain information to help the reader assess the city's most significant revenue source, the property tax.

Debt Capacity 157-161

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.

Demographic and Economic Information 162-163

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.

Operating Information 164-166

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.

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)

	2019	2018	2017	2016
Governmental activities				
Net investment in capital assets	$ 66,803,442	$ 63,335,497	$ 61,866,098	$ 58,866,501
Restricted	18,886,043	17,333,258	15,836,565	13,429,638
Unrestricted	7,405,183	16,974,595	40,729,902	50,297,700
Total governmental activities net assets	$ 93,094,668	$ 97,643,350	$ 118,432,565	$ 122,593,839
Business-type activities				
Net investment in capital assets	$ 114,233,400	$ 116,139,450	$ 117,000,177	$ 115,837,458
Restricted	31,855,331	28,736,279	24,824,561	21,486,577
Unrestricted	42,795,042	40,113,775	41,868,527	39,876,986
Total business-type activities net assets	$ 188,883,773	$ 184,989,504	$ 183,693,265	$ 177,201,021
Primary government				
Net investment in capital assets	$ 181,036,842	$ 179,474,947	$ 178,866,275	$ 174,703,959
Restricted	50,741,374	46,069,537	40,661,126	34,916,215
Unrestricted	50,200,225	57,088,370	82,598,429	90,174,686
Total primary government net assets	$ 281,978,441	$ 282,632,854	$ 302,125,830	$ 299,794,860

Fiscal Year					
2015	**2014**	**2013**	**2012**	**2011**	**2010**
$ 53,722,717	$ 49,762,940	$ 48,383,850	$ 44,355,341	$ 42,802,718	$ 39,828,855
14,069,943	19,635,641	18,392,387	17,287,399	11,376,455	30,330,078
54,267,735	49,905,470	49,958,695	54,423,395	60,773,388	43,528,565
$ 122,060,395	$ 119,304,051	$ 116,734,932	$ 116,066,135	$ 114,952,561	$ 113,687,498
$ 114,539,725	$ 107,207,635	$ 105,523,250	$ 85,748,070	$ 97,111,037	$ 109,690,950
19,469,499	21,186,874	17,544,176	35,544,241	24,282,332	13,188,880
35,033,434	36,428,343	34,109,701	33,404,248	31,292,633	28,245,081
$ 169,042,658	$ 164,822,852	$ 157,177,127	$ 154,696,559	$ 152,686,002	$ 151,124,911
$ 168,262,442	$ 156,970,575	$ 153,907,100	$ 130,103,411	$ 139,913,755	$ 149,519,805
33,539,442	40,822,515	35,936,563	52,831,640	35,658,787	43,518,958
89,301,169	86,333,813	84,068,396	87,827,643	92,066,021	71,773,646
$ 291,103,053	$ 284,126,903	$ 273,912,059	$ 270,762,694	$ 267,638,563	$ 264,812,409

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

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Governmental activities:										
General government	$ 9,124,412	$ 8,575,711	$ 8,666,518	$ 8,929,272	$ 8,483,588	$ 9,149,871	$ 9,309,902	$ 8,586,996	$ 9,782,111	$ 9,215,323
Public safety	29,930,082	28,890,052	28,337,065	26,462,848	25,860,337	22,743,048	23,113,039	20,992,476	20,077,388	19,012,031
Public works	13,252,142	13,052,857	12,118,548	10,183,802	8,334,201	11,131,728	8,760,799	9,857,328	8,931,972	7,511,084
Economic and physical development	1,105,682	922,133	1,112,715	3,007,984	1,880,541	1,474,928	1,368,876	1,574,410	1,367,129	1,510,984
Cultural and recreation	8,366,409	8,119,854	8,378,403	8,014,310	7,512,715	6,957,606	6,993,217	6,675,802	7,113,741	6,566,740
Interest on long-term debt	95,111	67,660	51,076	68,461	331,290	363,756	1,378,315	766,290	644,306	786,832
Total governmental activities expenses	61,873,838	59,628,267	58,664,325	56,666,677	52,402,672	51,820,937	50,924,148	48,453,302	47,916,647	44,602,994
Business-type activities:										
Non-major enterprise funds	2,355,000	2,075,238	1,915,455	433,571	518,104	377,647	605,815	305,939	310,474	364,391
Water and sewer	26,511,118	24,035,900	26,363,685	22,989,357	23,671,729	22,143,804	22,903,847	23,462,426	21,863,677	18,713,655
Total business-type activities expenses	28,866,118	26,111,138	28,279,140	23,422,928	24,189,833	22,521,451	23,509,662	23,768,365	22,174,151	19,078,046
Total primary government expenses	$ 90,739,956	$ 85,739,405	$ 86,943,465	$ 80,089,605	$ 76,592,505	$ 74,342,388	$ 74,433,810	$ 72,221,667	$ 70,090,798	$ 63,681,040
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	$ 2,556,065	$ 2,468,385	$ 3,049,535	$ 1,869,455	$ 2,942,784	$ 2,979,252	$ 2,688,109	$ 2,661,120	$ 2,507,577	$ 2,281,618
Public safety	940,959	818,406	576,346	340,368	354,258	412,298	367,587	261,105	306,973	297,876
Public works	1,390,130	1,370,364	1,397,109	1,387,986	1,298,660	1,293,660	1,231,921	1,289,117	1,290,419	1,505,613
Economic and physical development	417,547	351,947	216,399	1,765,852	1,435,313				9,777	
Cultural and recreation	2,237,004	2,424,685	2,454,962	2,988,493	3,036,516	2,853,767	2,931,014	2,710,135	2,692,531	2,904,183
Operating grants and contributions	2,816,435	3,527,365	2,528,586	2,837,797	7,184,961	5,555,035	3,691,258	3,776,954	3,448,673	4,052,652
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	10,358,140	10,961,152	10,222,937	11,189,951	16,252,492	13,094,012	10,909,889	10,698,431	10,255,950	11,041,942

Business-type activities:										
Charge for services:										
Non-major enterprise funds	2,101,673	2,083,675	2,270,980	1,098,704	900,066	572,676	456,437	450,521	447,628	444,484
Water and sewer	31,057,981	29,183,476	32,493,512	29,638,325	27,026,817	20,876,779	20,331,989	21,246,324	21,290,176	22,341,844
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	1,078,696	363,481	2,435,648	66,500	248,674	162,641	1,352,089
Total business-type activities program revenues	33,159,654	31,267,151	34,764,492	31,815,725	28,290,364	23,885,103	20,854,926	21,945,519	21,900,445	24,138,417
Total primary government program revenues	$ 43,517,794	$ 42,228,303	$ 44,987,429	$ 43,005,676	$ 44,542,856	$ 36,979,115	$ 31,764,815	$ 32,643,950	$ 32,156,395	$ 35,180,359
Net (Expense)/Revenue										
Governmental activities	$(51,515,698)	$(48,667,115)	$(48,441,388)	$(45,476,726)	$(36,150,180)	$(38,726,925)	$(40,014,259)	$(37,754,871)	$(37,660,697)	$(33,561,052)
Business-type activities	4,293,536	5,156,013	6,485,352	8,392,797	4,100,531	1,363,652	(2,654,736)	(1,822,846)	(273,706)	5,060,371
Total primary government net expense	$(47,222,162)	$(43,511,102)	$(41,956,036)	$(37,083,929)	$(32,049,649)	$(37,363,273)	$(42,668,995)	$(39,577,717)	$(37,934,403)	$(28,500,681)
General Revenues and Other Changes In Net Assets										
Governmental activities:										
Taxes										
Property taxes	$ 29,404,770	$ 28,364,921	$ 27,870,953	$ 27,967,844	$ 26,338,400	$ 26,866,560	$ 26,742,991	$ 24,769,222	$ 25,121,552	$ 25,790,731
Other taxes	14,350,100	13,386,770	12,881,088	12,434,490	11,566,861	10,407,641	9,934,320	9,696,455	9,554,263	8,539,976
Unrestricted grants and contributions	4,805,898	4,474,051	5,176,015	4,810,731	4,413,873	3,782,273	3,494,676	3,597,285	3,688,785	3,643,718
Unrestricted Investment earnings	1,273,543	394,119	1,447,835	722,157	169,604	68,363	204,072	142,306	193,058	377,042
Miscellaneous	178,009	93,644	73,797	244,052	247,342	171,207	472,707	366,626	368,102	112,988
Transfers	1,469,373	80,124	1,131,061	-	-	-	-	-	-	(262,737)
Total governmental activities	51,481,693	46,793,629	48,580,749	46,179,274	42,736,080	41,296,044	40,848,766	38,571,894	38,925,760	38,201,718
Business-type activities:										
Unrestricted Investment earnings	1,070,106	320,427	857,837	566,184	452,279	220,117	223,281	147,210	129,388	253,715
Miscellaneous	-	-	16,144	-	-	6,061,956	4,912,023	3,686,193	1,705,409	475,003
Transfers	(1,469,373)	(460,626)	(1,131,061)	-	-	-	-	-	-	262,737
Total business-type activities	(399,267)	(140,199)	(257,080)	566,184	452,279	6,282,073	5,135,304	3,833,403	1,834,797	991,455
Total primary government	$ 51,082,426	$ 46,653,430	$ 48,323,669	$ 46,745,458	$ 43,188,359	$ 47,578,117	$ 45,984,070	$ 42,405,297	$ 40,760,557	$ 39,193,173
Change in Net Assets										
Governmental activities	$ (34,005)	$ (1,873,486)	$ 139,361	$ 702,548	$ 6,585,900	$ 2,569,119	$ 834,507	$ 817,023	$ 1,265,063	$ 4,640,666
Business-type activities	3,894,269	5,015,814	6,228,272	8,958,981	4,552,810	7,645,725	2,480,568	2,010,557	1,561,091	6,051,826
Total primary government	$ 3,860,264	$ 3,142,328	$ 6,367,633	$ 9,661,529	$ 11,138,710	$ 10,214,844	$ 3,315,075	$ 2,827,580	$ 2,826,154	$ 10,692,492

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

	Fiscal Year				
	2019	**2018**	**2017**	**2016**	**2015**
General Fund					
Restricted					
Stabilzation by State Statute	$ 9,002,176	$ 9,614,902	$ 8,569,387	$ 6,410,101	$ 5,472,018
Historic Books	1,418	1,418	1,418	1,418	1,418
Animal Shelter	5,562	562	562	562	562
Committed					
Capital Reserve Fund	4,047,215	5,505,961	8,183,945	10,713,528	11,279,424
Assigned					
Subsequent Years Expenditure	1,636,986	1,636,986	1,636,986	1,636,986	1,636,986
General Government	13,953,523	4,316,000	4,316,000	4,316,000	4,316,000
Parks and Recreation	228,562	1,763,652	1,836,316	1,882,466	1,882,466
Public Safety	-	5,950,000	5,950,000	5,950,000	5,950,000
Economic Development	-	3,000,000	3,000,000	3,000,000	3,000,000
Public Works	700,000	3,125,000	3,125,000	3,125,000	3,125,000
Unassigned	7,087,106	7,822,866	9,734,666	11,212,212	12,468,373
Total general fund	36,662,548	42,737,347	46,354,280	48,248,273	49,132,247
All Other Governmental Funds					
Restricted					
Stabilzation by State Statute	53,580	176,524	-	3,893,620	-
Economic Development	6,597,417	6,624,716	6,635,345	3,281,786	6,762,024
Public Safety	408,917	525,440	263,393		460,696
Committed					
Capital Improvements	8,493,087	3,508,898	3,181,729	1,803,057	-
Capital Reserve Fund	-	-	-	-	4,586,098
Assigned					
Subsequent year's expenditures:	494,564	608,341	606,703	196,182	447,806
Unassigned	(2,380,170)	(122,944)	176,524	-	(20,282)
Total all other governmental funds	$13,667,395	$11,320,975	$10,863,694	$ 9,174,645	$12,236,342

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

2014	2013	2012	2011
$ 6,954,980	$ 6,901,755	$ 6,113,452	$ 6,163,934
1,418	1,418	1,418	1,418
562	562	562	562
16,925,388	16,620,740	18,323,847	18,603,387
1,636,986	1,816,112	2,053,816	1,636,986
4,316,000	4,316,000	4,316,000	4,316,000
1,381,370	1,428,771	1,321,156	1,398,269
5,450,000	5,450,000	5,450,000	5,450,000
3,000,000	3,000,000	3,000,000	-
3,125,000	3,125,000	3,125,000	700,000
8,881,287	7,445,326	8,211,865	12,946,857
51,672,991	50,105,684	51,917,116	51,217,413
-	-	-	5,014
6,881,935	7,178,068	7,400,720	7,606,888
497,277	396,767	345,649	375,237
1,280,743	980,769	977,891	1,204,506
-	-	-	-
468,859	483,457	491,785	505,148
(41,105)	(7,575)	(156,794)	20,114
$ 9,087,709	$ 9,031,486	$ 9,059,251	$ 9,716,907

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

	Fiscal Year 2010
General Fund	
Reserved	$ 5,704,163
Unreserved	8,356,723
Designated for subsequent year's expenditures	17,746,673
Total general fund	31,807,559
All Other Governmental Funds	
Reserved	7,538,843
Unreserved, reported in:	
Designated for subsequent year's expenditures:	
Special revenue funds-Restricted	18,981,952
Capital projects funds-Committed	2,612,992
Total all other governmental funds	$ 29,133,787

Note: The schedule above is pre-GASB 54.

CITY OF BURLINGTON, NORTH CAROLINA

FEB. 14, 1893

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

	Fiscal Year				
	2019	**2018**	**2017**	**2016**	**2015**
Revenues					
Ad valorem taxes	$ 29,482,268	$ 28,469,070	$ 27,790,608	$ 27,509,164	$ 26,928,485
Other taxes and licenses	14,150,569	13,488,383	12,885,026	12,438,131	12,099,079
Unrestricted intergovernmental	5,327,990	5,005,877	5,169,077	4,709,848	4,914,193
Restricted intergovernmental	4,286,830	4,372,907	3,869,756	4,388,175	4,883,976
Permits and fees	1,359,289	1,406,586	1,386,668	1,365,831	1,243,300
Sales and services	4,116,673	4,242,068	4,222,427	4,464,274	4,066,783
Investment earnings	1,269,171	231,194	912,192	539,461	159,092
Miscellaneous	437,093	355,166	825,690	690,978	1,126,630
Total revenues	60,429,883	57,571,251	57,061,444	56,105,862	55,421,538
Expenditures					
General government	8,108,390	7,873,369	7,328,111	8,716,239	9,106,232
Public safety	27,441,553	26,440,906	24,988,051	23,556,205	22,633,787
Public works	10,668,069	10,150,081	10,016,705	8,532,598	6,744,540
Economic and physical development	958,027	1,603,047	1,112,716	2,820,260	1,880,541
Culture and recreation	7,130,866	7,161,246	7,241,632	6,933,653	6,430,052
Debt service:					
Principal	2,574,643	2,542,038	2,677,205	2,569,211	5,100,769
Interest	100,474	104,685	119,834	148,720	294,774
Capital Outlay	8,799,741	5,380,788	5,007,434	7,288,650	3,919,060
Total expenditures	65,781,763	61,256,160	58,491,688	60,565,536	56,109,755
Excess of revenues over (under) expenditures	(5,351,880)	(3,684,909)	(1,430,244)	(4,459,674)	(688,217)
Other Financing Sources (Uses)					
Transfers from other funds	5,917,708	3,374,795	7,016,202	2,254,046	9,494,212
Transfers to other funds	(6,448,950)	(4,853,108)	(7,825,048)	(3,784,663)	(9,807,067)
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	2,154,743	2,015,318	1,951,100	2,044,621	1,608,961
Total other financing sources (uses)	1,623,501	537,005	1,142,254	514,004	1,296,106
Net change in fund balances	$ (3,728,379)	$ (3,147,904)	$ (287,990)	$ (3,945,670)	$ 607,889
Debt service as a percentage of noncapital expenditures	4.7%	4.7%	5.2%	5.1%	10.3%

2014	2013	2012	2011	2010
$ 27,149,806	$ 26,425,908	$ 24,720,911	$ 25,984,094	$ 24,852,944
10,970,124	10,496,181	10,261,128	10,086,790	9,081,632
4,560,068	4,222,801	4,509,286	4,444,816	4,298,234
5,293,541	4,114,494	4,023,377	3,868,203	4,651,477
1,128,772	1,222,541	1,025,476	868,641	700,723
3,858,474	3,962,533	3,947,957	3,983,062	4,046,529
125,548	261,564	249,731	189,248	301,575
773,474	610,474	353,006	288,747	424,952
53,859,807	51,316,496	49,090,872	49,713,601	48,358,066
8,490,457	8,053,763	7,713,558	8,316,294	8,238,393
20,869,801	20,670,064	19,523,967	18,654,343	18,584,573
9,756,316	7,603,776	8,644,203	7,962,307	6,924,894
1,474,926	1,368,876	1,574,410	1,619,663	1,522,589
6,097,465	6,078,028	5,812,752	5,628,193	5,498,179
2,857,008	10,446,422	2,691,898	2,841,286	2,793,551
358,419	674,661	723,597	778,504	705,857
3,638,530	4,615,107	3,148,952	4,599,040	2,948,353
53,542,922	59,510,697	49,833,337	50,399,630	47,216,389
316,885	(8,194,201)	(742,465)	(686,029)	1,141,677
1,980,771	3,946,670	2,679,386	711,581	2,725,287
	(4,259,526)	(3,092,241)	(1,024,435)	(3,741,877)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	2,899,000
-	-	-	-	-
1,619,502	6,667,859	1,267,473	991,857	1,077,538
3,600,273	6,355,003	854,618	679,003	2,959,948
$ 3,917,158	$ (1,839,198)	$ 112,153	$ (7,026)	$ 4,101,625
6.4%	20.3%	7.3%	7.9%	7.9%

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
2019	$ 3,902,413,986	$ 1,056,760,501	$ 90,915,170	$ 47,685,801	$ 5,002,403,856	$ 0.5973
2018	3,835,460,441	953,896,543	86,606,619	46,983,587	4,828,980,016	0.5973
2017	3,902,573,467	902,753,713	83,838,568	47,214,196	4,841,951,552	0.5800
2016	3,853,481,630	846,150,688	81,810,460	45,606,226	4,735,836,552	0.5800
2015	3,799,919,178	812,901,629	69,230,008	45,979,608	4,636,071,207	0.5800
2014	3,719,982,981	880,157,173	65,804,603	45,882,171	4,620,062,586	0.5800
2013	3,696,580,748	725,397,303	69,134,071	46,054,536	4,445,057,586	0.5800
2012	3,577,135,670	647,804,267	68,040,422	47,077,773	4,245,902,586	0.5800
2011	3,584,241,446	648,169,194	70,873,679	39,093,132	4,264,191,187	0.5900
2010	3,547,546,834	640,124,432	74,014,766	24,980,100	4,236,705,932	0.5900

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 2017, with the next due in 2025.

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

	City Direct Rates			Overlapping Rates	
Fiscal Year	Basic Rate	General Obligation Debt Service	Total Direct	Downtown Corp	Alamance County
2019	$ 0.53984	$ 0.05746	$ 0.59730	$ 0.170	$ 0.590
2018	0.53793	0.05937	0.59730	0.170	0.580
2017	0.52072	0.05928	0.58000	0.160	0.580
2016	0.52041	0.05959	0.58000	0.160	0.580
2015	0.50300	0.07689	0.58000	0.160	0.530
2014	0.50249	0.07751	0.58000	0.160	0.540
2013	0.49485	0.08100	0.58000	0.160	0.520
2012	0.49400	0.08515	0.58000	0.160	0.520
2011	0.49840	0.09160	0.59000	0.160	0.520
2010	0.49970	0.09030	0.59000	0.160	0.520

Source: City of Burlington's Finance Department

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

	2019			2010		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Labcorp	$ 172,502,780	1	3.45 %	$ 151,275,672	1	3.70 %
Alamance Crossing LLC	70,063,997	2	1.40	46,441,404	2	1.14
Duke Energy Corp	49,625,395	3	0.99	30,685,661	4	0.75
Roche Biomedical Labs	44,574,709	4	0.89	34,038,357	3	0.83
Carolina Hosiery Mills	30,639,684	5	0.61	25,028,146	6	0.61
Kayser Roth Corp	30,247,289	6	0.60			
PGS Burlington, LLC	29,286,691	7	0.59	29,485,389	5	0.72
Ethan Point LLC	28,075,821	8	0.56	21,797,839	7	0.53
Meredith Webb	24,899,327	9	0.50			
Koury Properties	23,025,953	10	0.46	18,165,301	8	0.44
Callicott/Hunters Bridge Apt				17,221,830	9	0.42
Alamance Indust. Park				17,198,856	10	0.42
Total	$ 502,941,646		10.05 %	$ 391,338,455		9.57 %

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
2019	$ 29,948,102	$29,547,618	98.66 %		29,547,618	98.66 %
2018	28,873,166	28,497,888	98.70	179,597	28,677,485	99.32
2017	28,098,157	27,666,328	98.46	291,327	27,957,655	99.50
2016	27,485,321	27,099,379	98.60	264,508	27,363,887	99.56
2015	26,902,971	26,541,013	98.65	270,083	26,811,096	99.66
2014	26,803,894	26,317,352	98.18	375,260	26,692,612	99.58
2013	25,789,046	25,105,830	97.35	572,087	25,677,917	99.57
2012	24,636,120	23,819,010	96.68	728,483	24,547,493	99.64
2011	25,169,334	24,403,266	96.96	670,098	25,073,364	99.62
2010	24,993,044	23,825,333	95.33	879,248	24,704,581	98.85

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)

	Governmental Activities					Business-Type Activities						
Fiscal Year	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
2019	$ 3,414,000	$ -	$ 2,089,559	$ -	$ -	$ -	$ 29,575,777	$ -	$ -	35,079,336	5.6 %	653
2018	3,940,000	-	1,983,462	-	-	399,000	31,287,839	-	-	37,610,301	6.0	709
2017	4,492,742	-	1,975,181	-	-	1,567,000	32,959,901	-	-	40,994,824	6.5	778
2016	5,072,860	-	2,158,285	-	-	2,785,000	34,601,962	-	-	44,618,107	7.7	850
2015	5,651,978	-	2,140,876	-	-	4,047,000	36,219,027	-	-	48,058,881	8.5	928
2014	8,994,345	-	2,323,955	-	-	5,184,752	37,821,088	-	-	54,324,140	10.0	1,055
2013	10,189,321	-	2,382,461	-	-	6,384,745	39,433,399	-	-	58,389,926	11.2	1,138
2012	10,604,081	2,531,217	2,502,729	-	-	7,594,520	41,021,613	-	-	64,254,160	12.7	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

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: General Obligation Bonds	Business-Type Activities: General Obligation Bonds	Total	Percentage of Actual Taxable Value (1) of Property	Per Capita (2)
2019	$ 3,414,000	$ -	$ 3,414,000	0.07 %	63.52
2018	3,940,000	399,000	4,339,000	0.09	81.75
2017	4,492,742	1,567,000	6,059,742	0.13	114.97
2016	5,072,860	2,785,000	7,857,860	0.17	149.75
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

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, 2019
(dollars in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable(a)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Alamance County General Obligation Debt	$ 38,200,000	32.29%	$ 12,336,115
Alamance County Authorized & Unissued GO Debt	189,600,000	32.29%	61,228,465
Guilford County General Obligation Debt	686,340,000	10.07%	69,123,995
Guilford County Unamortized G.O. Bond Premium	81,550,915	10.07%	8,213,313
Other debt			
Alamance County Installment Loans	7,244,487	32.29%	2,339,498
Guilford County G.O. Bond Anticipation Notes	-	10.07%	-
Guilford County Authorized & Unissued Bonds	-	10.07%	-
Guilford County Limited Obligation Bonds	16,845,000	10.07%	1,696,526
Guilford County Installment Financing	-	10.07%	-
Subtotal, overlapping debt			154,937,911
City direct debt			5,503,559
Total direct and overlapping debt			$ 160,441,470

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	5,002,403,856
Debt limit (8% of assessed value)	400,192,308
Gross Debt:	
Total Bonded Debt	3,414,000
Private Activity Bonds	-
Certificate of Participation	-
Revenue Bonds	28,880,000
Lease Financing Agreements	2,089,559
Total Gross Debt	34,383,559
Less: Water and Sewer Bonds	(28,880,000)
Total net debt applicable to limit	5,503,559
Legal debt margin	394,688,749

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	$ 338,936,475	$ 341,135,295	$ 339,672,207	$ 355,604,607	$ 369,605,007	$ 370,885,697	$ 378,866,924	$ 387,356,124	$ 386,318,401	$ 400,192,308
Total net debt applicable to limit	28,890,728	17,068,632	15,188,097	12,571,782	11,189,204	7,792,854	7,231,145	6,467,923	5,923,461	5,503,559
Legal debt margin	$ 310,045,747	$ 324,066,663	$ 324,484,110	$ 343,032,825	$ 358,415,803	$ 363,092,843	$ 371,635,779	$ 380,888,201	$ 380,394,940	$ 394,688,749
Total net debt applicable to the limit as a percentage of debt limit	8.52%	5.00%	4.47%	3.54%	3.03%	2.10%	1.91%	1.67%	1.53%	1.38%

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 Nine Fiscal Years
(dollars in thousands)

	Water & Sewer Revenue Bonds (1)					
				Debt Service (2)		
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2019	$ 31,057,981	$ 18,375,890	12,682,091	$ 1,670,000	$ 1,543,182	3.9
2018	29,183,476	16,406,591	12,776,885	1,630,000	1,619,332	3.9
2017	33,235,438	18,208,228	15,027,210	1,600,000	1,683,331	4.6
2016	30,367,965	16,066,030	14,301,935	1,575,000	1,746,332	4.3
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

Year	Population Estimates (1)	Alamance County Personal Income (2)	Alamance County Per Capita Personal Income (2)	School Enrollment (3)	Unemployment Rate (4)
2019	53,748	**	**	23,019	3.9%
2018	53,077	*	*	22,708	4.4%
2017	52,709	6,307,062	38,839	22,764	4.7%
2016	52,472	5,788,131	36,246	22,724	5.1%
2015	51,812	5,672,514	35,839	22,706	5.2%
2014	51,510	5,421,753	34,801	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%

* Not available until April, 2020
** Not available until April, 2021

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

	2019			2010		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Alamance-Burlington School Sys	3,500	1	14.00 %	3,260	2	16.10 %
LabCorp, Inc.	3,000	2	12.00	3,300	1	16.30
Cone Health Alamance Regional	2,000	3	8.00	2,300	3	11.36
City of Burlington	1,100	4	4.40	875	5	4.32
Wal-Mart Stores, Inc.	600	5	2.40	1,100	4	5.43
Glen Raven, Inc.	500	6	2.00			
PRA Group	500	7	2.00			
Alamance Foods	350	8	1.40			
Sheetz	250	9	1.00			
Tapco Underwriters, Inc.	200	10	0.80			
Kayser-Roth Corp				380	6	1.88
Kernodle Clinic, Inc.				325	7	1.61
American Multimedia, Inc.				300	8	1.48
ITG				250	9	1.23
Carolina Hosiery Mills, Inc.				220	10	1.09
Total	12,000		47.99 %	12,310		60.81 %

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

	Full-time Equivalent Employees as of June 30									
Function/Program	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
General government										
Admin/Public Info/Econ Dev	7	6	6	4	4	3	3	3	3	3
Customer Service/Collections	16	16	17	18	20	19	19	18	19	16
Finance	12	13	11	13	14	13	13	13	14	13
Information Technology	8	8	8	7	8	7	7	6	6	6
Legal	2	2	2	3	2	1	1	1	2	2
Human Resources	8	7	6	7	6	6	6	6	6	5
Planning	15	15	16	15	15	15	14	14	14	11
Inspections	9	9	8	10	9	9	9	9	9	10
Engineering/Traffic Control	23	20	20	14	14	14	14	14	14	18
Animal Services	18	17	17							
Police										
Sworn Officers	129	125	112	125	121	125	123	122	124	115
Civilians	44	42	45	51	51	44	40	41	41	40
Fire										
Firefighter and officers	106	101	103	105	91	90	89	88	88	87
Civilians	1	1	1	1	1	1	1	1	1	1
Public Transportation										
Administration	2	3	3	2						
Public Works										
Administration		4	4	4	4	4	4	4	3	2
Maintenance	26	25	24	24	24	23	24	24	24	22
Street	18	18	17	20	20	22	22	22	23	23
Cemetery	15	15	14	14	15	16	15	14	16	16
Sanitation	20	17	17	16	17	17	18	17	21	21
Recreation	45	45	47	46	44	44	43	42	43	42
Water and Sewer	92	93	90	89	87	86	90	88	86	84

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

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

	Fiscal Year									
Function/Program	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Police										
Physical arrests	2,328	2,289	2,198	2,561	3,067	4,277	4,202	3,897	3,873	3,839
Parking violations	98	25	523	392	625	1,459	2,467	1,988	3,104	1,620
Traffic violations	2,698	2,909	3,053	4,686	5,630	7,175	6,727	5,248	5,903	5,612
Fire										
Emergency responses	9,283	9,419	6,795	8,640	8,197	7,688	7,914	7,481	4,992	5,056
Fires responses	2,694	2,572	2,446	2,331	2,326	1,946	2,074	2,173	2,125	2,061
Inspections	2,853	3,062	2,725	3,044	3,313	2,990	3,064	2,863	2,712	2,648
Refuse collection										
Refuse collected (tons per day)	39	37	36	35	33	66	66	72	72	73
Recyclables collected (tons per day)	10.0	9.7	9.2	7.7	7	27	29	21	23	29
Other Public Works										
Street resurfacing (miles)	3.68	7.10	4.79	0.10	9.42	3.15	3.59	7.73	5.8	13.4
Potholes repaired	144	185	106	141	108	162	89	63	100	542
Recreation and Parks										
Athletic field permits issued	160	160	159	159	157	157	155	150	94	103
Community center admissions	220,000	218,000	214,200	211,900	190,300	168,700	166,550	163,400	162,500	151,100
Water										
New connections	35	50	50	34	38	35	34	36	32	33
Water mains breaks	38	71	46	36	57	71	50	53	72	81
Average daily consumption (thousands of gallons)	11,025	11,519	11,438	10,831	10,333	10,284	11,313	12,114	10,995	11,875
Peak daily consumption (thousands of gallons)	15,533	18,283	17,523	14,471	16,296	15,964	16,106	21,577	18,460	19,000
Wastewater										
Average daily sewage treatment (thousands of gallons)	14,480	10,628	10,950	12,308	10,449	11,879	10,730	10,550	11,794	12,000

Sources: Various city departments.

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

	Fiscal Year									
Function/Program	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	3	3	1	4	4	6	7	7	7	7
Patrol units	157	154	151	151	151	151	151	151	148	144
Fire Stations		6	5	5	5	5	5	5	5	5
Refuse collection										
Collection trucks	23	23	24	22	22	21	22	19	19	20
Other public works										
Streets (miles)	247.76	245.86	245.45	244.1	243.71	243.62	243.29	243.29	238.89	237.90
Highways (miles)	72.53	70.86	70.86	70.58	70.58	69.73	69.73	66.79	62.24	62.27
Streetlights	5,167	5,136	5,085	5,061	5,035	5,019	4,979	4,844	4,760	4,754
Traffic Signals	41	41	41	41	41	40	36	36	36	35
Recreation and parks										
Acreage	638.45	638.45	638.45	638.45	638.45	638.45	638.45	638.45	638.45	631.45
Playgrounds	22	22	22	22	21	21	21	21	21	16
Baseball/softball diamonds	17	17	17	17	17	17	17	17	17	17
Soccer/football fields	15	15	15	15	15	15	15	15	15	12
Community centers	6	6	6	6	6	6	6	6	6	6
Water										
Water mains (miles)	434.50	396.50	388.30	372.60	393.77	390.00	388.76	387.29	385.82	385.12
Fire hydrants	2,451	2,425	2,226	2,208	2,256	2,196	2,190	2,284	2,064	2,064
Storage capacity (thousands of gallons)	14,000	14,000	14,000	14,000	14,000	14,000	4,500	4,500	4,500	4,500
Wastewater										
Sanitary sewers (miles)	413.29	368.10	362.40	361.70	387.79	386.36	385.06	384.36	383.70	382.85
Storm sewers (miles)	206.11	198.45	197.80	197.10	198.13	221.30	147.90	219.63	219.63	213.00
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.

CITY OF BURLINGTON, NORTH CAROLINA

FEB. 14, 1893

STOUT
STUART
McGOWEN
& KING LLP

Certified Public Accountants

Advisors to Management

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*

Independent Auditor's Report

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, 2019, 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 November 21, 2019. The financial statements of the Burlington Downtown Corporation were not audited in accordance with *Government Auditing Standards*.

Member of PCPS, the AICPA Alliance For CPA Firms

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.

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 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.

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.

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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 & KING LLP

November 21, 2019

STOUT
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& KING LLP

Certified Public Accountants

Advisors to Management

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; WITH OMB UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

Independent Auditor's Report

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 C*ompliance 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, 2019. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, 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, 2019.

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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

STOUT STUART McGOWEN & KING LLP

November 21, 2019

STOUT
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McGOWEN
& KING LLP

Certified Public Accountants

Advisors to Management

REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; IN ACCORDANCE WITH OMB UNIFORM GUIDANCE; AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

Independent Auditor's Report

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, 2019. 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 Title 2 US *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, Uniform Guidance, 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, 2019.

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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 the Uniform Guidance, 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

STOUT STUART McGOWEN & KING LLP

November 21, 2019

CITY OF BURLINGTON, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2019

Section I. Summary of Auditor's Results

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 programs:				
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 2 CFR 200.516(a)?		Yes	X	No
Identification of major federal programs:				

CFDA Numbers	Names of Federal Program or Cluster
14.218	Community Development Block Grant
14.239	HOME Investment Partnership Program
16.710	Public Safety Partnership and Community Policing Grant
16.005	Federal Asset Forfeiture Funds

Dollar threshold used to disntinguish between Type A and Type B programs:	$750,000			
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, 2019

Section I. Summary of Auditor's Results

State Awards

Internal control over major State programs:

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 Bill

Section II. Financial Statement Findings

None reported.

Section III. Federal Award Findings and Questioned Costs

None reported.

Section IV. State Award Findings and Questioned Costs

None reported.

None

CITY OF BURLINGTON, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2019

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct and Pass Through) Expenditures	State Expenditures	Local Expenditures
Federal Grants:				
Cash Programs:				
U.S. Department of Housing and Urban Development Direct Program:				
Community Development Block Grant - Entitlement Grant	14.218	300,107		
Passed-through Greensboro Consortium:				
Home Investment Partnership Program	14.239	101,568		
U.S. Department of Justice				
Direct Program:				
Office of Justice:				
Federal Asset Forfeiture Funds	16.005	173,228		
Office of Community Oriented Policing Services:				
Public Safety Partnership and Community Policing Grant	16.710	360,407		
Passed-through North Carolina Department Of Public Safety:				
Edward Byrne Memorial Justice Assistance Grant	16.738	67,799		
Office of Victims of Crime:				
Passed-through Governor's Crime Commission				
Services for Trafficking Victims	16.320	100,664		
U.S. Department of Transportation				
Passed-through North Carolina Department of Transportation:				
High Speed Rail Corridors And Intercity Passenger Rail Service	20.319	2,421		
Highway Planning and Construction Grants:				
State Planning and Research	20.205-5	196,570		
Federal Transit Technical Studies Grant	20.505	20,000	2,500	
Total assistance - federal programs		1,322,764	2,500	

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2019

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct and Pass Through) Expenditures	State Expenditures	Local Expenditures
State Grants:				
Cash Assistance:				
N.C. Department of Transportation:				
Powell Bill			1,428,178	
Transit Development Program			176,882	
State Maintenance Assistance for Urban And Small Urban Program			133,899	
N.C. Department of Environmental Quality:				
Asset Inventory and Assessment Grant			142,500	
N.C. Housing Finance Agency:				
Urgent Repair Program			42,500	
Total assistance - State programs			1,923,959	
Total assistance		$ 1,322,764	$ 1,926,459	$

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

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the City of Burlington under the programs of the federal government and the State of North Carolina for the year ended June 30, 2019. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the City of Burlington, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Burlington.

City of Burlington:
GASB 34 CALCULATION OF MAJOR FUNDS
June 30, 2018

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	Assets	Computes "X" if Meets 10% Rule	Computes "X" if Meets 5% Rule	Liabilities	Computes "X" if Meets 10% Rule	Computes "X" if Meets 5% Rule	Revenue	Computes "X" if Meets 10% Rule	Computes "X" if Meets 5% Rule	Expenditures/ Expenses	Computes "X" if Meets 10% Rule	Computes "X" if Meets 5% Rule	Computes "MAJOR" if Fund is Major If a "Category" Has an "X" in Both Columns, Then Fund is a Major Fund
General Fund	36,936,163	N/A	N/A	4,320,830	N/A	N/A	58,759,847	N/A	N/A	60,662,807	N/A	N/A	**YES, ALWAYS MAJOR**
Special Revenue Funds:													
MPO Planning/trans.	743,752	-	-	57,133	-	-	242,061	-	-	255,679	-	-	-
Capital Reserve	-	-	-	-	-	-	-	-	-	-	-	-	**Transfers is the only major activity not a stand alone fund**
Substance Abuse	56,496	-	-	2,049	-	-	14,485	-	-	46,760	-	-	-
Rico	435,731	-	-	-	-	-	164,315	-	-	173,228	-	-	-
Home Program	6,530,882	X	-	2,684,376	X	X	63,157	-	-	96,586	-	-	**MAJOR**
Community Dev.	-	-	-	20,787	-	-	204,044	-	-	234,934	-	-	-
Downtown	62,978	-	-	62,978	-	-	144,352	-	-	144,352	-	-	-
Guilford Mackintosh	34,772	-	-	34,772	-	-	175,491	-	-	175,491	-	-	-
Rehab Loan	1,834,248	-	-	(12)	-	-	10,536	-	-	65,173	-	-	-
Medicare Part D	212	-	-	-	-	-	-	-	-	1,407	-	-	-
Bureau of Justice Asst. Comm. Oriented Policing	-	-	-	23,213	-	-	283,614	-	-	360,407	-	-	-
Govenor's Crime Commission Human Trafficking	-	-	-	17,314	-	-	84,427	-	-	100,664	-	-	-
Edward Byrne Justice Assistance	53,126	-	-	-	-	-	-	-	-	67,799	-	-	-
Rental Rehab	609,771	-	-	-	-	-	1,855	-	-	289,911	-	-	-
Total Special Revenue	10,361,968			2,902,610			1,388,337			2,012,391			
					-	-		-	-		-	-	
Debt Service Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds:													
ERP System	500,908	-	-	700	-	-	-	-	-	142,620	-	-	
Trans Sidewalk & Intersections	5,473,318	-	-	-	-	-	9,045	-	-	53,794	-	-	
Animal Shelter	-			2,285,050			-			2,873,485			
Front St Greenway/Bikeway	771,136			-			60,000			2,538			
Dentzel Carousel Restoration Project	1,444,646			-			-			58,228			
North Park Pool Project	59,162			-			160,000			100,838			
Willowbrook Park Arboretum	244,617	-	-	-	-	-	300	-	-	5,077	-	-	-
Total Capital Projects	8,493,787			2,285,750			229,345			3,236,580			
Total Governmental Funds	55,791,918			9,509,190			60,377,529			65,911,778			
10 % of Total Governmental Funds	5,579,192			950,919			6,037,753			6,591,178			
Enterprise Funds:													
Water and Sewer	224,260,702	X	X	38,329,455	X	X	31,057,981	X	X	24,770,520	X	X	**MAJOR**
Storm Water	4,955,295	-	-	56,708	-	-	1,170,443	-	-	623,747	-	-	-
Public Transportation	564,224	-	-	2,716,760	-	X	931,230	-	-	1,731,253	-	-	-
Total Enterprise Funds	229,780,221			41,102,923			33,159,654			27,125,520			
10% of Total Enterprise Funds	22,978,022			4,110,292			3,315,965			2,712,552			
Total Governmental & Enterprise Funds	285,572,139			50,612,113			93,537,183			93,037,298			
5% of Total Governmental & Enterprise Funds	14,278,607			2,530,606			4,676,859			4,651,865			