

CITY OF BURLINGTON NORTH CAROLINA

Connecting the Triad & Triangle



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2020

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CITY OF BURLINGTON

FISCAL YEAR ENDED JUNE 30, 2020



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

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CITY OF BURLINGTON

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FINANCE DEPARTMENT

Phone (336) 222-5060

November 30, 2020

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, 2020, 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, 2020, 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 Principles, 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, 2020, 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, 2020, 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 54,606. 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 18.9314 square miles. These annexations represent industrial, institutional and residential 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 showed great resilience in response to the COVID-19 pandemic. Even though many businesses were shut down due to the pandemic, unemployment has fallen from a high of 12.7 % to 7.7% as of June 30, 2020. There continues to be opening and closing of some small retail stores and businesses throughout the area. Of interest to note, according to projections 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 continues to grow. Publix will anchor a 60,000+ ft² shopping center, due to be completed in 2021. The Publix grocery store is expected to bring 130 jobs to the city. Huffman Mill Commons, a \$5.7 million retail center project completed in 2019, will welcome Party City to its lineup. Lidl supermarket has purchased part of Edgewood Shopping Center to expand into Burlington. Other national businesses opening franchises this year include Tru by Hilton hotels, Andy's Frozen Custard and Biggby Coffee. The City is also of a number of locally owned retail business successes located in the downtown corridor and other commercial corridors.

The Burlington-Alamance Regional Airport is an integral economic development provider to the region. Including the aircraft jet engine manufacturer Honda Aero, more than 275 people are employed within the numerous aviation businesses. International clientele are choosing the expertise of aviation businesses located in Burlington to meet their needs. They have expanded their campus by approximately 50 acres and continue toward a goal of a new terminal and operations area for incoming aircraft. Assisting in this expansion and improvement are state and federal funds awarded by the NC Board of Transportation. Improvements include taxiway reconstruction, a new entrance to the terminal aircraft parking apron, and water/sewer to new hangar additions. Additionally, the airport received \$69,000 in CARES Act assistance from the Federal Aviation Administration due to COVID-19.

N.C. Department of Commerce's Rural Economic Development Division, through the Building Reuse Program, provides grants to repurpose vacant buildings. These grants been utilized to bring jobs to Burlington. National OnDemand moved into downtown Burlington, repurposing the former Bank of America building into their national headquarters. This move will generate 33 jobs. Flexaust's new Southeast manufacturing and distribution site now occupies formerly-empty textile mill space on Tucker Street. That company's expansion means 47 new jobs to our area. Flexaust will also utilize a

customized training grant to train new employees in partnership with Alamance Community College.

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 broke ground on their new distribution facility in nearby McLeansville, bringing over 1000 jobs to the area. The \$400 million project includes a 1.8 million ft² facility, and will span 350 acres. Honda Power Equipment is adding over 135,000 ft² in Swepsonville in a \$46.4 million project, which is in addition to 2018's \$10 million expansion. Again, while these centers are not within the city limits of Burlington, they will have an impact on the economy and job outlook for the City.

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

**City of Burlington, North Carolina
Principal Employers
June 30, 2020**

<u>Name of Employer</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>
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 improved throughout 2019 and into 2020, increasing in response to the COVID-19 pandemic, as evidenced in the following table.

% Unemployment (Alamance County)

	<u>05</u>	<u>06</u>	<u>07</u>	<u>08</u>	<u>09</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>13</u>	<u>14</u>	<u>15</u>	<u>16</u>	<u>17</u>	<u>18</u>	<u>19</u>	<u>20</u>
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	4.1	4.3	3.9
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	4.1	4.1	3.6
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	3.8	3.9	4.1
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	3.5	3.5	12.8
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	3.6	3.8	12.7
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	4.4	4.3	4.2	7.7
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	4.6	4.2	4.4	
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	4.6	4.0	4.1	
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	3.9	3.3	3.4	
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	3.8	3.5	3.4	
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	4.0	3.5	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	3.7	3.8	3.2	

Source: Bureau of Labor Statistics

The following is a comparison of average annual unemployment rates (%) for the County, State and United States.

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

<u>Year</u>	<u>County</u>	<u>State</u>	<u>US</u>	<u>Year</u>	<u>County</u>	<u>State</u>	<u>US</u>
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	5.3	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	4.2	4.5	4.7
2008	6.4	6.1	5.8	2018	3.8	4.0	3.9
2009	11.7	10.6	9.3	2019	3.8	3.9	3.8
2010	10.9	10.9	9.6	2020	7.5*	7.5*	8.4*

*Through June 2020

Source: Bureau of Labor Statistics

The City has maintained a stable financial condition for another year. Unemployment fell prior to March, then increased in response to COVID-19 developments. The COVID-19 retail closures followed a robust first half of the fiscal year, resulting in a net increase for sales tax revenues. The year ended June 30, 2020, has seen a minimal decrease in the water and sewer revenues due to COVID-19, and the City's temporary suspension of non-payment cutoffs. The number of non-residential building permits issued has increased over the numbers issued in the previous year, while residential permits decreased only 15%, despite of COVID-19. All of these are indications of the economy's continuing stability 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. The North Carolina Department of Commerce ranked the metro Burlington/Alamance County 26th of 100 counties in its annual assessment of economic stability, and named it the sixth fastest growing county in the state. 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 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.

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 is currently in process utilizing Hazen and Sawyer. This will assist the City in preparing plans for improvements to strengthen and improve the overall system.

(2) Development Services Development Services

The City has implemented software called Smartgov for the development services group. 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 has helped the City be more efficient working across City departments as opposed to each department working in silos. Smartgov has been instrumental in moving processes online in response to the COVID-19 pandemic.

(3) Transportation 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 2020 marked the fourth anniversary of the Link Transit System, with over 352,000 riders. Routes take riders to shopping centers, neighborhoods, Alamance Community College and into Gibsonville. The system has been an amazing success and has opened up new worlds and opportunities for many persons.

(4) Capital Improvements

Outside of Community Development Block Grant (CDBG) funds, the City Council approved a capital project for the restoration of the City's historic Dentzel Carousel located at City Park. It has been 40 years since the last restoration, and there are some parts being replaced now that have never been replaced. The expected completion date is the summer of 2021. The North Park pool, a \$3 million dollar project, is under renovation and expected to be completed at the end of the summer. The City Council also approved an improvement plan to be made to Willowbrook Park, which has been well received. Improvements included stream restoration, the children's playground, new educational walkways, and an arboretum. Finally, the animal shelter improvement replaced the deteriorating 57 year old intake facility and renovated 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. It has opened to rave reviews.

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 2019:

- Housing Rehabilitation - \$12,624.00
- Public Facilities - \$52,880.33
- Public Infrastructure - \$71,433.00
- Public Service - \$322,578.67
- Planning & Administration - \$93,210.00

Housing Rehabilitation: The total CDBG expenditures for housing projects include the costs for lead-based paint hazard inspections and temporary relocations. Of the total expenditures for housing, the City spent \$12,624.00 of its CDBG loan fund proceeds for (1) one housing rehabilitation.

Public Facilities: To date, the City has expended over \$29,147.00 to renovate Ralph Scott Lifeservices locations. The City will fund upgrades to the CityGate Dream Center, using \$23,733.33 of funds.

Public Infrastructure: The City completed the Clay Court/Clay Street Paving expending \$71,433.00. The City plans to complete the Haw River Greenway Pedestrian Lane, and Phase 2 of North Park Renovations.

Public Services: The City expended \$13,910.64 at the public library at the North Park Community Center. During the program year, the library circulated 5,682 materials for use in the library and the patrons' homes, a slight increase over the previous program year. For the program year, the door count at the branch library was 22,588 patrons, down from last year's count.

The City expended \$5,707.18 on Burlington Development Corporation's HOPE and STEPS programs providing Rapid Re-Housing.

The City also spent \$23,176.16 to assist with the City's only homeless shelter, Allied Churches, to operate their Empowerment Center. During program year 2019, Allied Churches provided overnight shelter to 2176 individuals, 21 families.

The City funded Residential Treatment Services \$23,676.24, and CityGate Dream Center \$23,733.33.

Administration: The City expended \$93,210.00 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 2020-21.

(5) Plans for Debt Issuance Plans for Debt Issuance

In fiscal year 2020-2021, the City will seek long term financing to finance the refurbishing of the Carousel itself and to construct a new building to house the Carousel. There are plans to continue the annual installment purchase agreement that provides funding for approximately \$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, 2019. This was the twenty-first 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's 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**

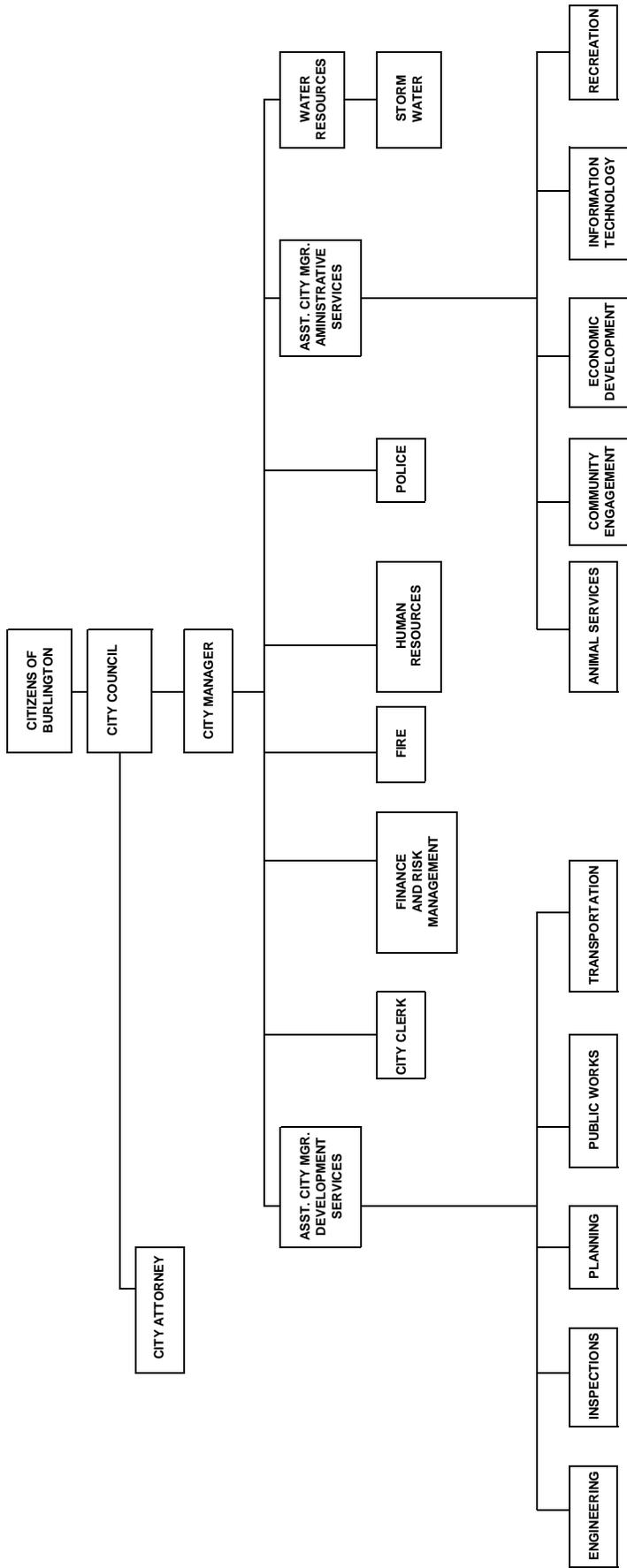
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

CITY OF BURLINGTON, NORTH CAROLINA
ORGANIZATIONAL CHART



CITY OF BURLINGTON

List of Principal Officials For the Fiscal Year Ended June 30, 2020

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



**STOUT
STUART
MCGOWEN
& KING LLP**

*Certified
Public
Accountants*

*Advisors to
Management*

*Member of PCPS,
the AICPA Alliance
For CPA Firms*

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Burlington (the "City"), North Carolina as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Burlington Downtown Corporation were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based upon our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Burlington, North Carolina as of June 30, 2020, 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 on pages xv through xxxi, 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 basic financial statements of the City of Burlington, North Carolina. The introductory information, combining and individual fund financial statements, budgetary schedules, other schedules, statistical section, and the 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 30, 2020 on our consideration of the City of Burlington's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Burlington's internal control over financial reporting and compliance.

STOUT STUART MCGOWEN & KINGS LLP

Burlington, North Carolina
November 30, 2020

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, 2020. 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 \$283,512,758 (net position). Of this amount, \$48,061,055 may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$1,543,317 (0.5%) compared to fiscal year 2019. The governmental net position decreased by \$672,329(.7%) (due to implementation of GASB 75), and the business-type net position increased by \$2,206,646 (1.2%).
- During the year, the City's governmental expenses were \$63,594,786, an increase of \$1,720,948, while expenses in the business-type activities were \$30,581,127 an increase of \$1,715,009.
- At the end of the current fiscal year, the City of Burlington's governmental funds reported combined ending fund balances of \$48,067,631, a decrease of \$2,262,312 in comparison with the prior year. Approximately \$7,278,511 (or 15%) is available for spending, with \$32,173,470 designated for specific purposes.
- As of year-end, the unassigned fund balance for the General Fund was \$7,491,548, or 11.8% of total General Fund expenditures of \$63,362,415.
- The General Fund budget for fiscal year ending 6/30/20 was adopted with a \$.5973 per \$100 assessed valuation tax rate.
- The City of Burlington's total long-term debt increased \$1,354,615. There was an increase of \$2,560,336 in the governmental activities and a decrease of \$1,205,721 in the business-type activities.

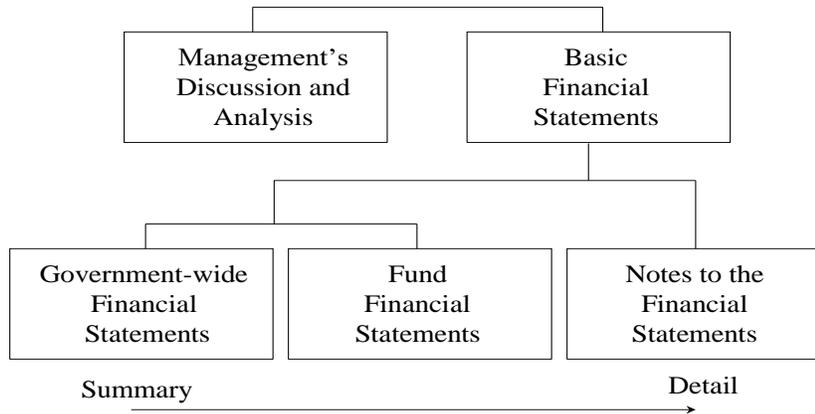
The City has maintained its GO bond rating with both Standard & Poor's Corporation at AA and Moody's at Aa2. Moody's most recent review of the City's GO Bonds occurred in September 2020 and the rating was confirmed at Aa2. The City has also maintained the same ratings on its 2011 and 2010 Revenue Bonds. 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 three 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, for the storm water operations, and for the bus transportation 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 \$283,512,758 as of June 30, 2020. The City's net position increased by \$1,543,317 for the fiscal year ended June 30, 2020. 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 choosing to use fund balance to build a new pool facility at North Park. This decrease was offset by savings from lower expenses due to programs being cancelled due to Covid-19. Also, projects for the business enterprise fund were delayed due to Covid-19. Capital assets for governmental activities increased by \$2.8 million while capital assets for business type activities decreased \$4.1 million, yielding a net decrease in capital assets of \$1.3 million. The largest portion of the total net position (64.0%) 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 (18.9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$48,061,055 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 \$7,278,511 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	
	2020	2019	2020	2019	2020	2019
ASSETS						
Current and other assets	\$ 65,857,068	\$ 66,919,066	\$ 90,036,451	\$ 84,611,087	\$155,893,519	\$ 151,530,153
Capital assets	75,024,125	72,199,389	139,692,405	143,865,112	214,716,530	216,064,501
Total assets	140,881,193	139,118,455	229,728,856	228,476,199	370,610,049	367,594,654
Deferred outflow s of resources	11,357,774	11,019,521	1,857,618	1,844,771	13,215,392	12,864,292
LIABILITIES						
Current and other liabilities	10,161,668	9,620,775	7,302,208	6,929,725	17,463,876	16,550,500
Noncurrent liabilities	48,106,195	45,521,098	32,919,593	34,173,198	81,025,788	79,694,296
Total liabilities	58,267,863	55,141,873	40,221,801	41,102,923	98,489,664	96,244,796
Deferred inflow s of resources	1,548,765	1,901,436	274,254	334,274	1,823,019	2,235,710
NET POSITION						
Net investment in capital assets	70,063,091	66,803,442	111,813,220	114,233,400	181,876,311	181,036,842
Restricted	18,634,319	18,886,043	34,941,073	31,855,331	53,575,392	50,741,374
Unrestricted	3,724,929	7,405,183	44,336,126	42,795,042	48,061,055	50,200,225
Total net position	\$ 92,422,339	\$ 93,094,668	\$191,090,419	\$188,883,773	\$283,512,758	\$ 281,978,441

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. As in years past, there was minimal growth in the property tax base due to new apartment complexes, businesses, and voluntary annexations.
- Continued diligence in the collection of property taxes results in the City maintaining a tax collection percentage of 99.6%, which is comparable to the statewide average of 98.78%.
- Due to the change in the collection method for vehicle property taxes implemented by the State in 2014, the City of Burlington has seen a steady growth in the amount of vehicle taxes collected. However, the effects of the pandemic kept collections basically flat from 2019 to 2020.
- Sales tax revenues increased by 2.0%, again reflective of the impact of the pandemic on the local economy. Prior to the start of the pandemic in March of 2020 the City was on track for a 5-6% increase in sales tax revenue year over year.

The Capital Reserve Fund's Restricted Net Assets increased by \$23,413. There were no expenses/transfers out during fiscal year 2019-2020. The only revenue recorded was from interest income of \$23,413.

Figure 3

City of Burlington's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for services	\$ 7,257,917	\$ 7,541,705	\$ 32,923,354	\$ 33,159,654	\$ 40,181,271	\$ 40,701,359
Operating grants & contributions	3,794,200	2,816,435	-	-	3,794,200	2,816,435
Capital grants & contributions	-	-	-	-	-	-
General Revenues:						
Property taxes, levied for general purpose	30,326,622	29,404,770	-	-	30,326,622	29,404,770
Other taxes	14,838,586	14,350,100	-	-	14,838,586	14,350,100
Grants and contributions not restricted to specific programs	4,539,502	4,805,898	-	-	4,539,502	4,805,898
Other	1,066,518	1,451,552	963,531	1,070,106	2,030,049	2,521,658
Total Revenues	61,823,345	60,370,460	33,886,885	34,229,760	95,710,230	94,600,220
Expenses:						
General government	9,613,503	9,124,412	-	-	9,613,503	9,124,412
Public safety	31,191,548	29,930,082	-	-	31,191,548	29,930,082
Public works	13,685,136	13,252,142	-	-	13,685,136	13,252,142
Economic and physical development	1,163,416	1,105,682	-	-	1,163,416	1,105,682
Cultural and recreation	7,855,028	8,366,409	-	-	7,855,028	8,366,409
Interest on long-term debt	86,155	95,111	-	-	86,155	95,111
Water and sewer			30,581,127	28,866,118	30,581,127	28,866,118
Total Expenses	63,594,786	61,873,838	30,581,127	28,866,118	94,175,913	90,739,956
Change in net position before transfers	(1,771,441)	(1,503,378)	3,305,758	5,363,642	1,534,317	3,860,264
Transfers	1,099,112	1,469,373	(1,099,112)	(1,469,373)	-	-
Increase (decrease) in net position	(672,329)	(34,005)	2,206,646	3,894,269	1,534,317	3,860,264
Net position-beginning	93,094,668	97,643,350	188,883,773	184,989,504	281,978,441	282,632,854
Prior period adjustments and restatements	-	(4,514,677)	-	-	-	(4,514,677)
Net position-beginning (re-stated)	93,094,668	93,128,673	188,883,773	184,989,504	281,978,441	278,118,177
Net position-ending	\$ 92,422,339	\$ 93,094,668	\$ 191,090,419	\$ 188,883,773	\$283,512,758	\$ 281,978,441

Governmental activities

Governmental activities decreased the City's net position by \$672,329, whereas business type activities increased the City's net position by \$2,206,646. There are a myriad of items impacting the change in the City's net position. For the general fund, the decision to use unrestricted net position to build a pool at North Park was offset by a reduction in expenses from canceled programs due to the pandemic.

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

- Sales tax revenues increased approximately \$284,000 over the prior year in the General Fund, maintaining an increase in sales tax from the last year, even though it's a smaller increase than in previous years due to the pandemic.
- Property tax collections were up slightly over the prior year by \$921,852 in the General Fund. The collection of the property taxes were basically completed by the time the pandemic hit and thus did not affect property tax collections for fiscal year 2019-2020.
- Grants and contributions decreased by \$266,396. The decreases can be attributed to fewer grants being received by police 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 more than expected and resulted in approximately \$64,379 decrease in net position.
- Miscellaneous revenue decreased by \$385,034. This is due primarily due to fewer grants being received in the HOME program over the prior year.
- Charges for services decreased by \$283,788 in the Governmental Activities. The decreases are due to programs that had to be canceled in Cultural and Recreational divisions due to the pandemic.

Figure 4

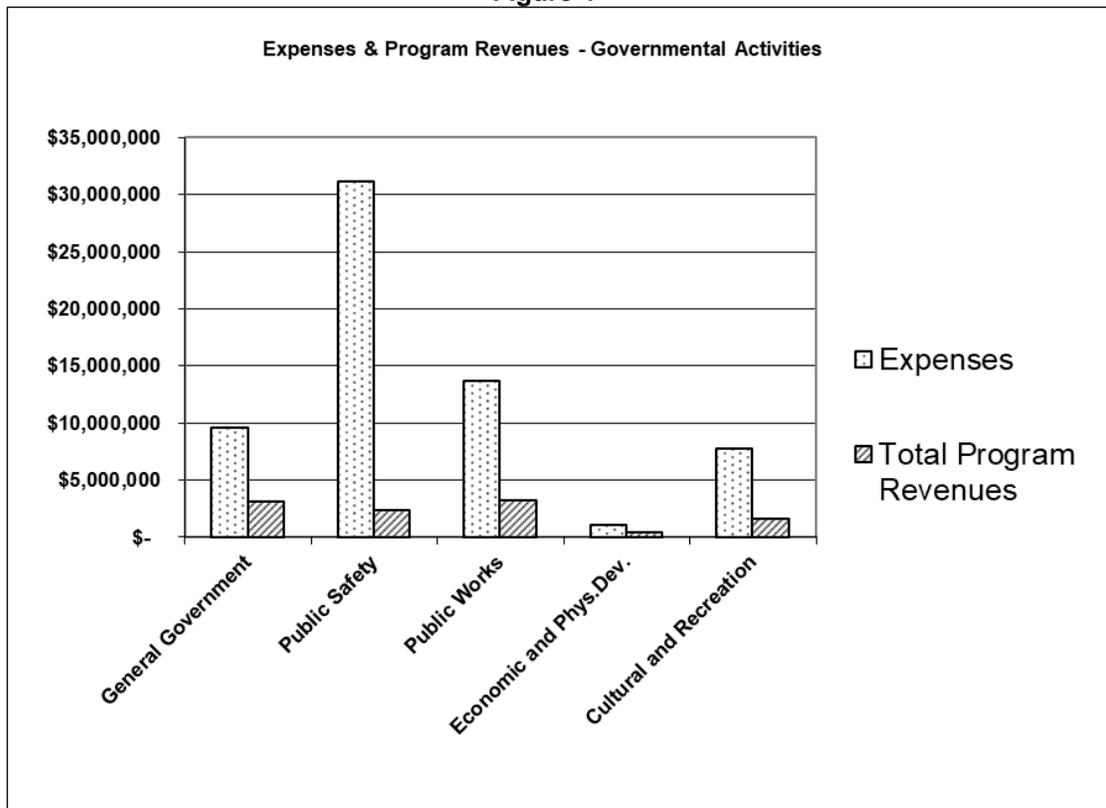
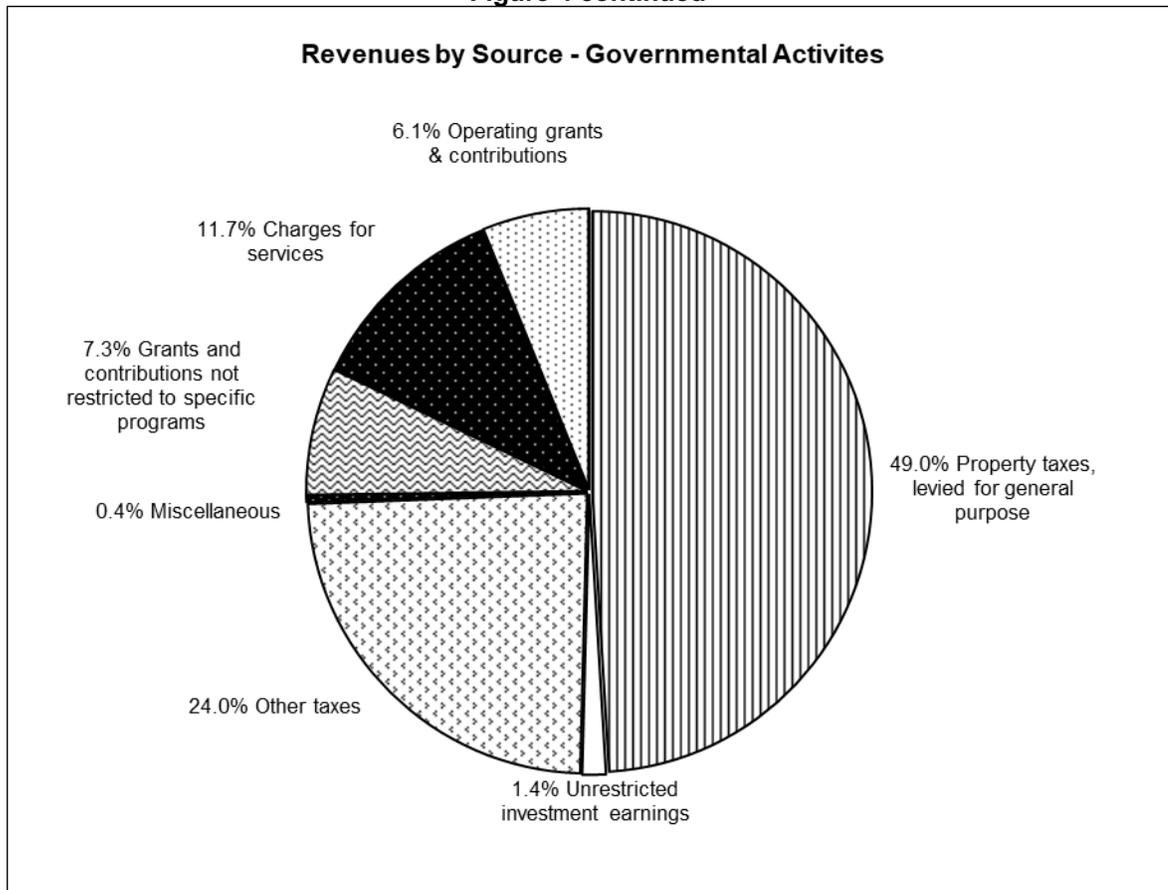


Figure 4 continued



- Ad valorem taxes provided 49.05% of the revenues for governmental activities in the General Fund, with other taxes and licenses providing 24.0% of revenues in the General Fund also.
- Expenses increased approximately \$1,720,948 or 2.78%. One contributor to this was the \$484,940 increase overall in direct personnel costs to the City. An increase of \$447,744 in public safety was met with a corresponding decrease in recreation of \$336,959 due to many programs being cancelled because of the pandemic. Retirement expense saw an increase from the prior year of \$374,155. Increases in operating expenses occurred in the following accounts: Purchases for resale had a net increase of \$72,246, professional services saw a net increase of \$34,006, janitorial supplies increased by 46,836, medical supplies increased \$51,550, purchases of equipment that is not capitalized increased \$174,885, dues and subscriptions increased \$24,704, urgent repair program increased \$39,248, economic development expenses increased \$25,900, utilities increased \$52,530, telephone increased \$19,941 and building and equipment rental increased by \$22,057. Several other expenses saw a decrease due to the global pandemic and due to several programs not being offered and facilities being closed.

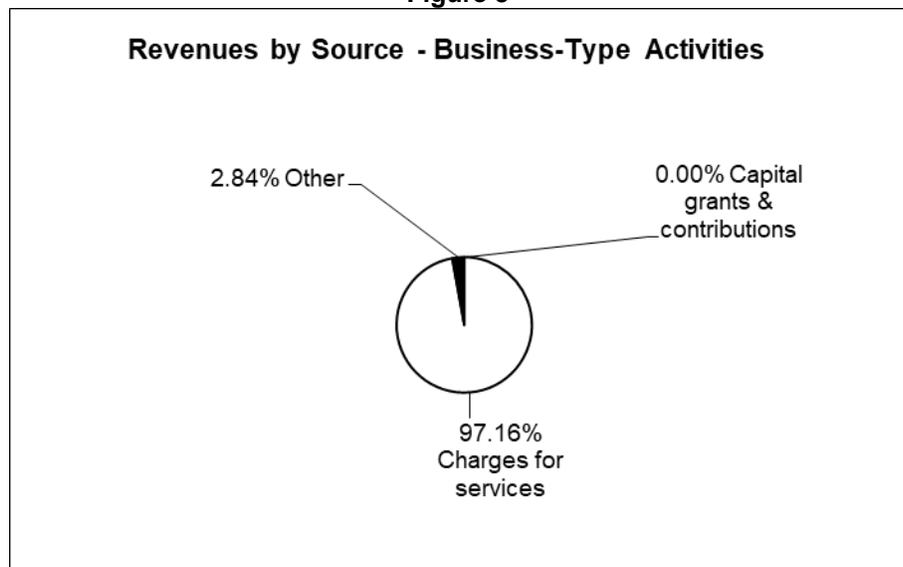
Business-type activities

Business-type activities increased the City of Burlington's net position by \$2,206,646, 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 2019-2020, business type activities revenues decreased 1.0% for the Water Resources Fund. The 2.0% rate increase instituted by the City of Burlington for the 2019-2020 fiscal year in the Water Resources Fund was offset by decreases in consumption/billings because many businesses and schools were shut down due to the pandemic. 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 offsetting the decrease in revenues was the increase in sales to the City of Greensboro due to an overall increase in consumption.
- There was an increase in the pension liability of \$1,408,663.
- The Transportation fund's expenses decreased by \$837,960 from 2019 to 2020. This is primarily due a transfer to the transportation, sidewalk and intersection capital project fund in the prior fiscal year 2019 for sidewalk construction/improvements that did not occur in fiscal year 2020.

Figure 5



- Expenses for business-type activities increased \$1,715,007 from the preceding year. Expenses directly related to personnel saw an increase of \$272,609. Of this increase, the major contributing factors were as follows: overtime expenses increased \$350,460 and retirement expenses saw an increase of \$80,475. Offsetting these increases were personnel services decreased \$158,326. General operating expenses had the following increases: contracted services for commercial labs \$65,078, fees for the City of Greensboro treating sewer \$133,314, items purchased for resale \$165,968, materials \$86,586, chemicals \$156,594, maintenance & repairs for equipment \$35,242, professional services \$94,627, street expenses charged to storm water \$68,000, professional services \$106,633, departmental supplies expenses increased \$96,578, chemical expenses increased \$156,593, and property insurance increased \$42,970. Administration expenses experienced

a net increase of \$244,457. Principal and interest expenses experienced a net decrease of \$439,954.

- 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 \$7,491,548, while total fund balance reached \$29,951,599. 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 11.8% of total General Fund expenditures.

At June 30, 2020, the governmental funds of the City of Burlington reported a combined fund balance of \$48,067,631, a \$2,262,312 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 increase \$23,413, due to interest earnings. No funds were used from the Capital Reserve Fund for fiscal year 2019-2020.
- The Public Safety Special Revenue Funds had a net decrease of fund balances by \$174,771 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 \$11,810.
- There was a \$2,640,321 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, the main one being the appropriation of fund balance for the construction of North Park Pool. Offsetting this appropriation was the underspending of budgeted expenditures due to many recreation programs being shut down due to the pandemic.

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 \$5,565,043 increase in appropriations, and the main items can be briefly summarized as follows:

- \$3.4 million was appropriated for the construction of the North Park Pool
- \$1,900,272 capital equipment financed consisting of the annual computer replacements for employees, 8 marked interceptor suv's, fire pumper truck, side-load garbage truck, rear-load garbage truck, and various other equipment.
- \$247,500 for projects carried forwards from the prior year. Of which \$130,500 was attributed to improvements at the Athletic Stadium.

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 98.2% rate.
- Sales taxes were up \$518,259 largely in part to an increase in consumer spending during the first eight months of the fiscal year, which saw on average 6% increase month over month current year versus prior year. Then the pandemic hit and there was an average of 4.97% decrease in sales tax month over month current year versus prior year.
- Unrestricted intergovernmental revenues were up by a net of \$30,637. Major contributors were: receiving more than expected for ABC revenue (\$206,625), offset by receiving less than expected for State shared franchise tax (\$102,122) and for Alamance County fuel purchase (\$64,523).
- General government actual expenditures were \$525,573 under final amended budgeted expenditures. Largely in-part to the conservative approach taken by staff and budgeted items not being incurred. Legal expenses were \$138,294 under budget, which can be attributed to the reduction in the need for (third-party) contracted legal services. The Planning department had \$37,302 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 \$593,745 under final amended budgeted expenditures. Contributing factors were reductions in overtime and operating expenditures for Police, Animal Services and Fire.
- Public Works actual expenditures were \$196,460 under final amended budgeted expenditures primarily due to vacant positions 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 \$46,021,920. The total growth in net position was \$2,588,418. 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, 2020, totals \$214,716,530 (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 \$1,347,971. The capital asset decreases and increases are explained below. The OPEB and LEO pension liabilities increased by \$1,408,637 and \$251,752 respectively while the LGERS pension liability increased by \$1,275,182.

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 \$2,824,736. The changes (outside of depreciation) are explained below:

- Infrastructure had a net increase of \$815,149. This increase consisted of depreciation netted against approximately \$1.8 million of street resurfacing.
- Construction in progress had a net increase \$1,695,055. The majority of the increase stems from North Park Pool renovations for \$2,714,901, the Animal Shelter at \$1,648,561, Front Street Greenway/Pathway for \$499,989, Willowbrook Park restoration for \$395,887, and Fairchild Stadium renovations for \$334,375. Offsetting these increases were depreciation and decreases in various projects that were started in the prior year were finished this fiscal year. Including street resurfacing, Fairchild Stadium renovations, and North park renovations.
- Buildings had a net increase of \$1,222,285. The net increase represents the Fairchild Stadium renovations as well as 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 \$699,422. All of which was made up of purchases related to computer hardware, police in-car cameras and tasers, veterinary equipment and mowers.
- Vehicles had a net decrease of \$238,331. The decrease in vehicles is due to depreciation and disposals of used and worn out vehicles in the amount of \$556,091. The following purchases offset the decreases: 14 police vehicles for \$494,732, 1 side loader (sanitation) for \$283,241, a side loader body for \$66,278, 1 rear loader (sanitation) for \$101,675, and 6 other vehicles for \$131,885.

Business-type activities:

Business-type Capital Assets had a net decrease of \$4,172,707. The changes are explained below:

- There was no change in Land costs.
- Buildings experienced a decrease of \$872,398, primarily due to depreciation. Assets added were approximately \$1,875,569, consisting of \$1,486,480 for roof replacements, building repairs and upgrades, \$74,934 for valve repairs and upgrades, \$75,274 for a clarifier drive, \$169,067 for a boiler replacement, and \$69,815 for two aluminum tanks.
- Infrastructure experienced a decrease of \$1,429,368. Assets added were approximately \$1,764,994, consisting of \$8,578 for Overbrook Road paving, \$1,086,606 for water system improvements, \$517,961 for sewer collection system improvements, and \$151,848 for pipe repair projects. These costs were offset by the depreciation amounts for new and existing assets.
- General equipment experienced a net decrease of \$77,606. Assets added were approximately \$171,706, consisting of \$83,306 for John Deere equipment, \$10,713 for a pump impeller, \$7,800 for a Chemsan analyzer, \$21,299 for a gear drive assembly, \$27,100 for a ProMix polymer, and \$21,488 for other machinery. These costs were offset by the depreciation amounts for new and existing assets, as well as \$30,028 in asset disposals.
- Vehicles experienced a net decrease of \$355,721. Assets added were approximately \$200,233, consisting of \$46,342 for two light trucks, and \$153,891 for a large industrial van. These costs were

offset by the depreciation amounts for new and existing assets, as well as \$63,786 in asset disposals.

- Construction in progress experienced a decrease of \$1,437,614. The increases for construction in progress were due to \$85,055 for the Whitsett lift station project, \$906,693 for water system improvements, \$41,024 for the water line project, \$136,104 for the sodium hypochlorite facility, \$9,553 for a restroom renovation, and \$72,895 for the Bowman Avenue project. Offsetting these increases were the completion of a \$712,946 Whitsett lift station, \$1,756,416 for the water system improvements, and \$219,576 for the restroom project. These projects are considered to be complete and have been activated as fixed assets.
- No major demolitions were recorded this year.

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

	Governmental		Business-type		Total	
	Activities		Activities		2020	2019
	2020	2019	2020	2019	2020	2019
Land	\$ 8,628,374	\$ 8,628,374	\$ 6,945,444	\$ 6,945,444	\$ 15,573,818	\$ 15,573,818
Buildings and system	27,015,679	25,793,394	42,002,722	42,875,120	69,018,401	68,668,514
Improvements other than buildings	-	-	86,506,363	87,933,525	86,506,363	87,933,525
Machinery and equipment	3,312,251	3,981,673	1,811,402	1,889,008	5,123,653	5,870,681
Infrastructure	17,941,451	17,126,302	177,226	179,432	18,118,677	17,305,734
Vehicles and motorized equipment	9,159,199	9,397,530	1,482,494	1,838,215	10,641,693	11,235,745
Construction in progress	8,967,171	7,272,116	766,754	2,204,368	9,733,925	9,476,484
Total	\$ 75,024,125	\$ 72,199,389	\$ 139,692,405	\$ 143,865,112	\$ 214,716,530	\$ 216,064,501

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, 2020, the City of Burlington had total bonded debt outstanding of \$30,730,715. 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	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 2,897,000	\$ 3,414,000	\$ -	\$ -	\$ 2,897,000	\$ 3,414,000
Installment purchases	1,971,795	2,089,559	-	-	1,971,795	2,089,559
Revenue bonds	-	-	27,833,715	29,575,777	27,833,715	29,575,777
Compensated absences	2,812,555	2,553,052	321,313	269,776	3,133,868	2,822,828
OPEB liability	24,969,660	23,560,997	4,510,459	4,256,001	29,480,119	27,816,998
Net pension liability (LGMERS)	11,456,276	10,181,094	2,069,434	1,839,088	13,525,710	12,020,182
Total pension liability (LEO)	6,548,509	6,296,757	-	-	6,548,509	6,296,757
Total	\$ 50,655,795	\$ 48,095,459	\$ 34,734,921	\$ 35,940,642	\$ 85,390,716	\$ 84,036,101

The City of Burlington's total debt increased by \$1,354,615 (1.6%) during the past fiscal year. The majority of this increase (\$3,420,401) comes from the increases in the City's OPEB and the Local Government Employees Retirement liabilities. Offsetting the increases in these liabilities were the decreases (\$2,376,826) in GO bonds, Installment purchases and Revenue bonds. The City issued \$1,900,272 in installment financings, bearing an interest rate of 2.09%, 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 September 2020.

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 \$405,876,269. The City has no bonds authorized but un-issued at June 30, 2020.

Additional information regarding the City of Burlington's long-term debt can be found in note III.6, beginning on page 39 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.

- Due to the Corona Virus that hit during the third quarter of fiscal year 2019-20, unemployment rates were up from the previous fiscal year. Alamance County, where the City of Burlington is located, saw an average unemployment rate of 5.55 compared to 3.84 for 2018-2019. This was true for the US and state averages too. The US average for 2019-2020 was 6.01 compared to 3.77 for the prior year and the state average for 2019-2020 was 5.61 compared to 3.97 for fiscal year 2018-2019.
- Interest rates on certificates of deposit, commercial paper, etc. averaged 1.74%, a 15.9% decrease over last fiscal year. Again, due to the pandemic, the Federal Reserve Board dropped the interest rate by 150 basis points in March. Economists expect the Federal Reserve Board will

keep the interest rates low for at least the next two years, which in turn is expected to result in lower investment returns.

- Commercial construction permits increased from 997 permits issued in the prior year to 1,064 issued for the fiscal year ending 6/30/20. However, residential construction permits decreased from 4,488 to 3,849 during the same time period.
- The City's largest taxpayer, Laboratory Corporation of America (LabCorp) is a vital testing center for the Corona Virus. However, their revenue was down 4% from 2.9 billion to 2.8 billion during the second quarter of calendar year 2020.

BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2021

Governmental activities: The overall budget was greatly impacted by the pandemic. The start of the pandemic was occurring during the budget process for the General Fund. General Fund revenues are budgeted for a \$243,963 decrease over the prior year's budget. Property taxes are projected at a net \$621,702 increase. The increase in property taxes stems from the minimal growth in property values (from increases in construction of new properties residential and business) and discoveries. Sales tax has been projected to decrease by another \$1,588,049. The amount of sales tax budgeted is based on the history of decreases experienced by the City during previous recessions. Decreases were also budgeted for recreation revenues due to the cancellation of many of their programs due to the pandemic. Increases in fees occurred for sanitation fees as well as the fire department will begin charging for inspections, which has not been done in the past. The Federal Reserve Board cut interest rates in light of the pandemic as well. Economists predict that it could be a couple of years before rates are increased. Thus interest earnings are projected to decline. 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 a decrease of \$243,963 when comparing the General Fund expenditures to the prior year. Typical recreation programs that have been budgeted for in the past were cut for next year due to the pandemic restrictions. Also, the classification study done for one third of the staff each year was postponed for one year. Increases in personnel costs stem from personnel costs (\$1,673,621) and is for four reasons. First, new positions were approved, new telecommunicators, and one code enforcement officer in police. Second, there was an average mid-year 1% merit pay increase approved by Council. Third, the Local Government Retirement System increased mandatory employer contributions by the City. Fourth, health insurance costs continue to rise. These personnel costs were offset by \$643,880 in frozen positions not being funded. Other decreases include \$1,190,071 in capital purchased, \$82,960 in travel, \$78,200 in utilities, and \$93,940 in fuel expenses. Increases in the budget are as follows: \$147,979 increase in professional services, \$91,944 increase in building maintenance and repair, and \$152,892 increase in maintenance & service contracts, and an \$117,800 increase in dumpster service contracts and tipping fees.

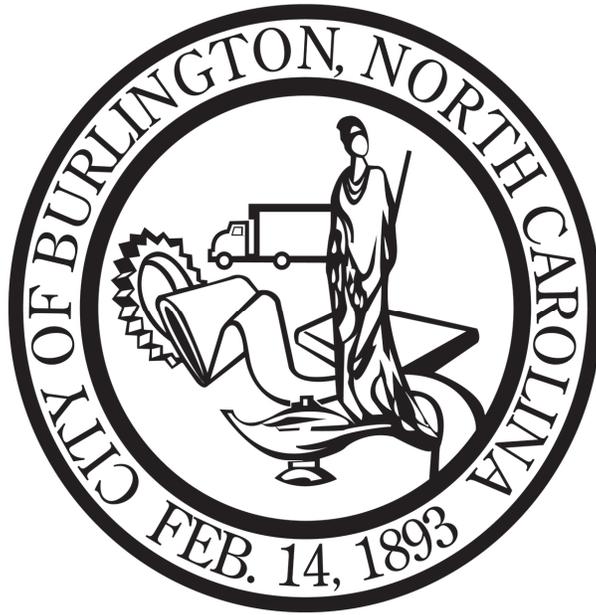
Business-type activities: Total revenue is projected to increase by 1.9% over the previous fiscal year. The majority of the increase is due to a 2% increase in water and sewer rates for fiscal year ending June 30, 2020 over the prior fiscal year ending June 30, 2019. Both water and sewer rates are double 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 1.9% over the previous fiscal year. Increases for personnel costs, \$451,758, are due to a one-time

\$500 payment to employees and a mid-year 1% merit approved by Council, increase in retirement contributions, health insurance, and overtime, a \$266,500 increase in maintenance & service contracts and an increase in repairs and maintenance for \$77,000. Offsetting these increases is a decrease in debt of \$39,353 and a decrease due to frozen positions for \$281,706. In the next year's budget, there is a decrease in costs for capital expenditures in the amount of 96,050.

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, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Burlington Downtown Corporation
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 45,011,704	\$ 81,494,378	\$ 126,506,082	\$ 220,564
Taxes receivables (net)	994,057	-	994,057	26,229
Accrued interest receivable on taxes	480,130	-	480,130	-
Accounts receivable (net)	17,685,383	8,287,167	25,972,550	-
Internal balances	1,685,794	(1,685,794)	-	-
Inventories	-	1,385,982	1,385,982	-
Prepaid items	-	3,600	3,600	-
Restricted assets:				
Cash and cash equivalents	-	551,118	551,118	-
Total current assets	65,857,068	90,036,451	155,893,519	246,793
Capital assets (Note 1):				
Land, non-depreciable improvements, and construction in progress	17,595,545	7,712,198	25,307,743	-
Other capital assets, net of depreciation	57,428,580	131,980,207	189,408,787	-
Total noncurrent assets	75,024,125	139,692,405	214,716,530	-
Total assets	\$ 140,881,193	\$ 229,728,856	\$ 370,610,049	\$ 246,793
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferrals	\$ 7,741,689	\$ 1,204,417	\$ 8,946,106	-
OPEB deferrals	\$ 3,616,085	653,201	4,269,286	-
Total deferred outflows of resources	\$ 11,357,774	\$ 1,857,618	\$ 13,215,392	\$ -
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 7,510,540	\$ 3,533,733	\$ 11,044,273	\$ 22,033
Accrued interest payable	101,528	1,402,029	1,503,557	-
Customer deposit	-	551,118	551,118	-
Payable from restricted assets	-	-	-	-
Current portion of long-term liabilities	2,549,600	1,815,328	4,364,928	-
Total current liabilities	10,161,668	7,302,208	17,463,876	22,033
Noncurrent liabilities:				
Net pension liability - LGERS	11,456,276	2,069,434	13,525,710	-
Net pension liability - LEO	6,548,509	-	6,548,509	-
OPEB liability	24,969,661	4,510,459	29,480,120	-
Due in more than one year	5,131,749	26,339,700	31,471,449	-
Total noncurrent liabilities	48,106,195	32,919,593	81,025,788	-
Total liabilities	58,267,863	40,221,801	98,489,664	22,033
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on refunding	92,239	45,470	137,709	-
Pension deferrals	334,296	26,067	360,363	-
OPEB deferrals	1,122,230	202,717	1,324,947	-
Total deferred inflows of resources	1,548,765	274,254	1,823,019	-
NET POSITION				
Net Investment in capital assets	70,063,091	111,813,220	181,876,311	-
Restricted for:				
Capital projects	6,637,633	34,941,073	41,578,706	-
Public safety	197,629	-	197,629	-
Economic development	3,183,407	-	3,183,407	-
Stabilization by State Statute	8,615,650	-	8,615,650	-
Unrestricted	3,724,929	44,336,126	48,061,055	224,760
Total net position	\$ 92,422,339	\$ 191,090,419	\$ 283,512,758	\$ 224,760

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

**City of Burlington, North Carolina
Statement of Activities
For the Year Ended June 30, 2020**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government				
					Governmental Activities	Business-type Activities	Total	Component Unit	
Primary government:									
General government	\$ 9,613,503	\$ 2,741,289	\$ 418,744	\$ -	\$ (6,453,470)	\$ -	\$ (6,453,470)	\$ -	-
Public safety	31,191,548	1,027,700	1,433,461	-	(28,730,387)	-	(28,730,387)	-	-
Public works	13,685,136	1,425,039	1,841,444	-	(10,418,653)	-	(10,418,653)	-	-
Economic and physical development	1,163,416	419,159	43,643	-	(700,614)	-	(700,614)	-	-
Cultural and recreation	7,855,028	1,644,730	56,908	-	(6,153,390)	-	(6,153,390)	-	-
Interest on long-term debt	86,155	-	-	-	(86,155)	-	(86,155)	-	-
Total governmental activities (See Note 1)	63,594,786	7,257,917	3,794,200	-	(52,542,669)	-	(52,542,669)	-	-
Business-type activities:									
Non-major enterprise funds	2,683,069	2,889,030	-	-	-	205,961	205,961	-	-
Water and sewer	27,898,058	30,034,324	-	-	-	2,136,266	2,136,266	-	-
Total business-type activities	30,581,127	32,923,354	-	-	-	2,342,227	2,342,227	-	-
Total primary government	\$ 94,175,913	\$ 40,181,271	\$ 3,794,200	\$ -	\$ (52,542,669)	\$ 2,342,227	\$ (50,200,442)	\$ -	-
Component unit:									
Burlington Downtown Corporation	\$ 230,211	\$ 150,127	\$ 98,901	\$ -	\$ -	\$ -	\$ -	\$ -	18,817
Total component units	\$ 230,211	\$ 150,127	\$ 98,901	\$ -	\$ -	\$ -	\$ -	\$ -	18,817
General revenues:									
Taxes:									
Property taxes, levied for general purpose					30,326,622	-	30,326,622	-	-
Local options sales tax					14,394,027	-	14,394,027	-	-
Other taxes and licenses					444,559	-	444,559	-	-
Grants and contributions not restricted to specific programs					4,539,502	-	4,539,502	-	-
Unrestricted investment earnings					840,538	963,531	1,804,069	95	95
Miscellaneous					225,980	-	225,980	-	-
Transfers					1,099,112	(1,099,112)	-	-	-
Total general revenues, special items, and transfers					51,870,340	(135,581)	51,734,759	95	95
Change in net position					(672,329)	2,206,646	1,534,317	18,912	18,912
Total net position previously reported					93,094,668	188,883,773	281,978,441	205,943	205,943
Restatement					-	-	-	-	-
Total net position-beginning					93,094,668	188,883,773	281,978,441	205,943	205,943
Net position-ending					\$ 92,422,339	\$ 191,090,419	\$ 283,512,758	\$ 224,855	\$ 224,855

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

**City of Burlington
Balance Sheet
Governmental Funds
June 30, 2020**

Exhibit 3

	MAJOR FUND		Total Non-Major Funds	Total Governmental Funds
	General	HOME Program Project Fund		
ASSETS				
Cash and cash equivalents	\$ 25,337,617	\$ 595,968	\$ 11,286,282	\$ 37,219,867
Restricted cash	4,053,965	-	-	4,053,965
Receivables, net:				
Taxes	932,397	-	61,660	994,057
Accounts	7,883,009	-	154,433	8,037,442
Housing rehabilitation loans	-	-	1,721,277	1,721,277
Home incentive loans	-	6,176,802	32,000	6,208,802
Prepaid items	-	-	-	-
Total assets	\$ 38,206,988	\$ 6,772,770	\$ 13,255,652	\$ 58,235,410
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	3,278,792	-	\$ 3,236,983	6,515,775
Total liabilities	3,278,792	-	3,236,983	6,515,775
Deferred Inflows of Resources				
Property taxes receivable	905,969	-	-	905,969
Deferred revenue	-	2,684,375	61,660	2,746,035
Total deferred inflows of resources	905,969	2,684,375	61,660	3,652,004
Fund balances:				
Restricted:				
Stabilization by State Statute	8,615,650	-	-	8,615,650
Historic Books	1,418	-	-	1,418
Animal Shelter	17,800	-	-	17,800
Economic Development	-	3,892,213	2,842,675	6,734,888
Public Safety	-	-	201,273	201,273
Committed:				
Capital Improvements	-	-	6,637,633	6,637,633
Capital Reserve Fund	4,070,628	-	-	4,070,628
Assigned				
Subsequent Years Expenditures	1,636,986	196,182	488,465	2,321,633
General Government	3,450,000	-	-	3,450,000
Parks and Recreation	115,897	-	-	115,897
Public Safety	5,450,000	-	-	5,450,000
Economic Development	2,000,000	-	-	2,000,000
Public Works	1,172,300	-	-	1,172,300
Unassigned	7,491,548	-	(213,037)	7,278,511
Total fund balances	34,022,227	4,088,395	9,957,009	48,067,631
Total liabilities and fund balances	\$ 38,206,988	\$ 6,772,770	\$ 13,255,652	

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 - \$143,622,336 Accumulated depreciation - (\$68,598,211)	75,024,125
Deferred outflows of resources related to pensions are not reported in the funds.	11,357,774
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	480,130
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	1,685,794
Liabilities for earned revenues considered deferred inflows of resources in fund statements.	3,652,004
Deferred inflows of resources related to pensions are not reported in the funds.	(1,456,526)
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	4,460,969
Net pension liability - LGERS	(11,456,276)
Other long-term debt (post employment benefits) are not due and therefore are not reported in the funds.	(24,969,661)
Net pension liability - LEO	(6,548,509)
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-\$2,897,000 installment purchases-\$1,971,795 Compensated absences-\$2,812,554, accrued interest-\$101,528 and bond issuance cost \$92,239	(7,875,116)
Net position of governmental activities	\$ 92,422,339

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

City of Burlington
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2020

	MAJOR FUND		Total Non-Major Funds	Total Governmental Funds
	General Fund	HOME Program Project Fund		
REVENUES				
Ad valorem taxes	\$ 30,005,480	\$ -	\$ 150,127	\$ 30,155,607
Other taxes and licenses	14,397,074	-	-	14,397,074
Unrestricted intergovernmental	4,835,636	-	151,236	4,986,872
Restricted intergovernmental	2,945,842	-	2,209,947	5,155,789
Permits and fees	1,732,375	-	-	1,732,375
Sales and services	3,792,462	-	36,555	3,829,017
Investment earnings	843,980	-	64,549	908,529
Miscellaneous	263,399	248,810	23,684	535,893
Total revenues	<u>58,816,248</u>	<u>248,810</u>	<u>2,636,098</u>	<u>61,701,156</u>
EXPENDITURES				
Current:				
General government	8,201,870	-	-	8,201,870
Public safety	26,883,754	-	821,121	27,704,875
Public works	10,253,041	-	-	10,253,041
Economic and physical development	-	6,921	957,629	964,550
Culture and recreation	6,811,476	-	174,520	6,985,996
Debt service:				
Principal	2,524,718	-	-	2,524,718
Interest and other charges	121,103	-	-	121,103
Capital outlay	2,036,553	-	5,670,227	7,706,780
Total expenditures	<u>56,832,515</u>	<u>6,921</u>	<u>7,623,497</u>	<u>64,462,933</u>
Excess (deficiency) of revenues over expenditures	<u>1,983,733</u>	<u>241,889</u>	<u>(4,987,399)</u>	<u>(2,761,777)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	55,709	-	6,023,519	6,079,228
Transfers to other funds	(6,580,035)	-	(900,000)	(7,480,035)
Issuance of installment purchase	1,900,272	-	-	1,900,272
Total other financing sources (uses)	<u>(4,624,054)</u>	<u>-</u>	<u>5,123,519</u>	<u>499,465</u>
Net change in fund balance	(2,640,321)	241,889	136,120	(2,262,312)
Fund balances-beginning	36,662,548	3,846,506	9,820,889	50,329,943
Prior period adjustment	-	-	-	-
Fund balances-beginning adjusted	36,662,548	3,846,506	9,820,889	50,329,943
Fund balances-ending	<u>\$ 34,022,227</u>	<u>\$ 4,088,395</u>	<u>\$ 9,957,009</u>	<u>\$ 48,067,631</u>

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, 2020**

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

Net changes in fund balances - total governmental funds	\$	(2,262,312)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay-\$7,706,780 exceeded depreciation-(\$4,864,561).		2,842,219
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		2,877,612
OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities		1,973,410
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		456,052
Change in accrued interest receivable		100,387
Change in unavailable revenue for tax revenues		425,420
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 position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (Issuance of debt-(\$1,900,272), principal expenditures- \$2,535,036 change in accrued interest payable- (\$9,257) and net change amortization \$15,373.		659,394
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		(6,025,529)
Net pension obligation LEO		330,915
Compensated absences		(259,503)
Other post employment benefits		(1,408,663)
Net revenue of internal service funds determined to be governmental-type.		<u>(381,731)</u>
Total changes in net position of governmental activities	\$	<u><u>(672,329)</u></u>

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

City of Burlington
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2020

	General Fund			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Ad valorem taxes	\$ 28,952,901	\$ 29,352,901	\$ 30,005,480	\$ 652,579
Other taxes and licenses	14,297,204	13,947,204	14,397,074	449,870
Unrestricted intergovernmental	4,955,000	4,805,000	4,835,636	30,636
Restricted intergovernmental	2,739,004	2,925,686	2,895,708	(29,978)
Permits and fees	1,546,700	1,546,700	1,732,375	185,675
Sales and services	4,486,345	3,915,935	3,792,462	(123,473)
Investment earnings	500,000	500,000	820,567	320,567
Miscellaneous	123,000	139,226	263,399	124,173
Total revenues	57,600,154	57,132,652	58,742,701	1,610,049
Expenditures:				
Current:				
General government	10,510,725	15,673,110	15,147,535	525,575
Public safety	27,422,215	28,313,296	27,669,417	643,879
Public works	11,536,415	11,170,175	10,971,313	198,862
Cultural and recreation	7,108,527	7,058,344	6,928,329	130,015
Principal retirement	2,635,302	2,525,302	2,524,718	584
Interest and other charges	83,956	121,956	121,103	853
Total expenditures	59,297,140	64,862,183	63,362,415	1,499,768
Revenues over (under) expenditures	(1,696,986)	(7,729,531)	(4,619,714)	3,109,817
Other financing sources (uses):				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Sale of properties and materials	50,000	50,000	55,708	5,708
Installment financing	-	1,900,272	1,900,272	-
Total other financing sources (uses)	50,000	1,950,272	1,955,980	5,708
Revenues and other financing sources over (under) expenditures and other financing uses	(1,646,986)	(5,779,259)	(2,663,734)	\$ 3,115,525
Fund balances appropriated	1,646,986	5,779,259		
Fund balances, beginning of year	-	-	32,615,333	
Fund balances, end of year	\$ -	\$ -	\$ 29,951,599	
A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Interest Income			\$ 23,413	
Transfer from General Fund			-	
Transfer from other funds			-	
Transfer to other funds			-	
Fund balance beginning			4,047,215	
Fund Balance Ending (Exhibit 4)			\$ 34,022,227	

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

**City of Burlington
Statement of Net Position
Proprietary Funds
June 30, 2020**

	Business-Type Activities			
	Water and Sewer Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
ASSETS				
Cash and cash equivalents	\$ 76,714,491	\$ 4,779,887	\$ 81,494,378	\$ 3,737,872
Accounts receivable (net) - billed	5,935,597	232,830	6,168,427	314,525
Accounts receivable (net) - unbilled	2,030,449	88,291	2,118,740	-
Due from other funds	356,294	(356,294)	-	-
Prepaid assets	3,600	-	3,600	-
Inventories	1,385,982	-	1,385,982	-
Restricted assets:				
Cash and cash equivalents	551,118	-	551,118	-
Total current assets	86,977,531	4,744,714	91,722,245	4,052,397
Capital assets:				
Land and other non-depreciable assets	7,236,668	475,530	7,712,198	-
Other capital assets, net of depreciation	131,189,994	790,213	131,980,207	-
Capital assets (net)	138,426,662	1,265,743	139,692,405	-
Total noncurrent assets	138,426,662	1,265,743	139,692,405	-
Total assets	\$ 225,404,193	\$ 6,010,457	\$ 231,414,650	\$ 4,052,397
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferrals	\$ 1,192,373	\$ 12,044	\$ 1,204,417	\$ -
OPEB deferrals	653,201	-	653,201	-
Total deferred outflows of resources	\$ 1,845,574	\$ 12,044	\$ 1,857,618	\$ -
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 2,352,612	\$ 2,583,150	\$ 4,935,762	\$ 994,762
Due to other funds	-	-	-	-
Compensated absences - current	76,414	3,914	80,328	-
Other postemployment benefits	-	-	-	-
General obligation bonds payable-current	-	-	-	-
Revenue bonds payable	1,735,000	-	1,735,000	-
Liabilities payable from restricted assets:				
Customer deposits	551,118	-	551,118	-
Total current liabilities	4,715,144	2,587,064	7,302,208	994,762
Noncurrent liabilities:				
Other noncurrent liabilities:				
Pension liability	2,048,740	20,694	2,069,434	-
OPEB liability	4,510,459	-	4,510,459	-
Compensated absences	229,241	11,744	240,985	-
General obligation bonds payable-noncurrent (net)	-	-	-	-
Revenue bonds payable	26,098,715	-	26,098,715	-
Total noncurrent liabilities	32,887,155	32,438	32,919,593	-
Total liabilities	37,602,299	2,619,502	40,221,801	994,762
DEFERRED INFLOWS OF RESOURCES				
Pension deferrals	25,806	261	26,067	-
OPEB deferrals	202,717	-	202,717	-
Deferred gain on refunding	45,470	-	45,470	-
Total deferred inflows of resources	273,993	261	274,254	-
NET POSITION				
Net investment in capital assets	110,547,477	1,265,743	111,813,220	
Restricted for Capital projects	34,941,073	-	34,941,073	
Unrestricted	43,884,925	2,136,995	46,021,920	3,057,635
Total net position	\$ 189,373,475	\$ 3,402,738	192,776,213	\$ 3,057,635
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			(1,685,794)	
Net position of business-type activities			\$ 191,090,419	

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, 2020

	<u>Business-Type Activities</u>			Governmental Activities-
	<u>Water and Sewer Fund</u>	<u>Non-Major Enterprise Funds</u>	<u>Total</u>	<u>Internal Service Funds</u>
OPERATING REVENUES				
Charges for services	\$ 29,727,029	\$ 1,516,937	\$ 31,243,966	\$ 7,603,886
Other operating revenues	307,295	1,372,093	1,679,388	-
Total operating revenues	<u>30,034,324</u>	<u>2,889,030</u>	<u>32,923,354</u>	<u>7,603,886</u>
OPERATING EXPENSES				
Building and administrative	4,076,611	-	4,076,611	449,502
Customer services	1,995,241	2,373,636	4,368,877	115,733
Supervision - lines	377,897	-	377,897	-
Line maintenance and repairs	1,279,939	-	1,279,939	-
Line services and construction	759,679	-	759,679	-
Supervision - treatment	614,602	-	614,602	-
Water source of supply	272,363	-	272,363	-
Water plant operations	3,586,525	-	3,586,525	-
Sewage treatment plant operations	4,614,883	-	4,614,883	-
Laboratories	624,783	-	624,783	-
Plants maintenance	1,056,377	-	1,056,377	-
Lakes and marinas	470,657	-	470,657	-
Depreciation	6,438,161	309,433	6,747,594	-
Claims paid, excess loss coverage and claims administration	-	-	-	9,671,564
Total operating expenses	<u>26,167,718</u>	<u>2,683,069</u>	<u>28,850,787</u>	<u>10,236,799</u>
Operating income (loss)	<u>3,866,606</u>	<u>205,961</u>	<u>4,072,567</u>	<u>(2,632,913)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	934,668	28,863	963,531	12,906
Interest and other charges	(1,348,568)	-	(1,348,568)	-
Total nonoperating revenue (expenses)	<u>(413,900)</u>	<u>28,863</u>	<u>(385,037)</u>	<u>12,906</u>
Income (loss) before contributions and transfers	3,452,706	234,824	3,687,530	(2,620,007)
Capital contributions	-	-	-	-
Transfers to other funds	(1,506,926)	-	(1,506,926)	-
Transfers from other funds	-	407,814	407,814	2,555,628
Change in net position	1,945,780	642,638	2,588,418	(64,379)
Total net position - beginning	<u>187,427,695</u>	<u>2,760,100</u>		<u>3,122,014</u>
Total net position - ending	<u>\$ 189,373,475</u>	<u>\$ 3,402,738</u>		<u>\$ 3,057,635</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>(381,732)</u>	
Change in net position - business-type activities			<u>\$ 2,206,686</u>	

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

**City of Burlington
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2020**

	Enterprise Funds			Internal Service Funds
	Water and Sewer Fund	Non-Major Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 30,052,304	\$ 2,834,421	\$ 32,886,725	\$ 7,554,393
Cash paid for goods and services	(11,587,139)	(1,958,037)	(13,545,176)	(9,769,625)
Cash paid to or on behalf of employees for services	(7,420,516)	(567,297)	(7,987,813)	(449,502)
Net cash provided (used) by operating activities	11,044,649	309,087	11,353,736	(2,664,734)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
(Increase) decrease in due to/from other funds payables	(356,294)	356,294	-	-
Transfers from other funds	-	407,814	407,814	2,555,628
Transfers to other funds	(1,506,926)	-	(1,506,926)	-
Total cash flows provided (used) by noncapital financing activities	(1,863,220)	764,108	(1,099,112)	2,555,628
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(2,332,994)	(105,791)	(2,438,785)	-
Principal paid on bond maturities	(1,700,000)	-	(1,700,000)	-
Interest and fees paid on debt maturities	(1,475,449)	-	(1,475,449)	-
Net cash used by capital and related financing activities	(5,508,443)	(105,791)	(5,614,234)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	1,358,811	38,795	1,397,606	12,907
Net increase (decrease) in cash and cash equivalents	5,031,797	1,006,199	6,037,996	(96,199)
Balances-beginning of the year	72,233,812	3,773,688	76,007,500	3,834,071
Balances-end of the year	<u>\$ 77,265,609</u>	<u>\$ 4,779,887</u>	<u>\$ 82,045,496</u>	<u>\$ 3,737,872</u>
Reconciliation of Cash and Cash Equivalents:				
Cash and Cash Equivalents - Current	\$ 76,714,491	\$ 4,779,887	\$ 81,494,378	\$ 3,737,872
Cash and Cash Equivalents - Restricted	551,118	-	551,118	-
Total Cash and Cash Equivalents - June 30, 2019	<u>\$ 77,265,609</u>	<u>\$ 4,779,887</u>	<u>\$ 82,045,496</u>	<u>\$ 3,737,872</u>

(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, 2020

	<u>Water and Sewer Fund</u>	<u>Non-Major Enterprise Funds</u>	<u>Total</u>	<u>Internal Service Fund</u>
Reconciliation of operating income to net cash provided (used) by operating activities				
Operating income (loss)	\$ 3,866,606	\$ 205,961	\$ 4,072,567	\$ (2,632,913)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	6,438,161	309,433	6,747,594	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	87,878	(54,607)	33,271	(49,493)
(Increase) decrease in inventory	37,738	-	37,738	-
Decrease in net pension asset	-	-	-	-
(Increase) decrease in deferred outflows of resources pensions	215,430	2,176	217,606	-
Increase (decrease) in net pension liability	228,043	2,303	230,346	-
Decrease in deferred inflows of resources-pension	8,888	90	8,978	-
Increase(decrease) in accounts payable and accrued liabilities	131,663	(158,270)	(26,607)	17,672
Increase (decrease) in accrued vacation pay	49,536	2,001	51,537	-
Increase in deferred outflows of resources - OPEB	(230,453)	-	(230,453)	-
Increase in deferred inflows of resources - OPEB	(58,533)	-	(58,533)	-
Decrease in OPEB liability	254,458	-	254,458	-
Increase in customer deposits	15,234	-	15,234	-
Total adjustments	<u>7,178,043</u>	<u>103,126</u>	<u>7,281,169</u>	<u>(31,821)</u>
Net cash provided (used) by operating activities	<u>\$ 11,044,649</u>	<u>\$ 309,087</u>	<u>\$ 11,353,736</u>	<u>\$ (2,664,734)</u>
Noncash contributions of capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

CITY OF BURLINGTON, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For The Fiscal Year Ended June 30, 2020

I. Summary of Significant Accounting Policies:

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

A. Reporting Entity

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

Burlington Downtown Corporation

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

B. Basis of Presentation

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

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

I. Summary of Significant Accounting Policies: (continued)

Fund Financial Statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category – *governmental and proprietary*– are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major 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. The City has legally adopted a Capital Reserve Fund. Under GASB 54 guidance the Capital Reserve Fund is consolidated in the General Fund. The budgetary comparison for the Capital Reserve Fund has been included in the supplemental information. 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 8 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 funds:

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.

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. Non-exchange 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 non-operating 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 non-operating 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 Outflows/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. The NCCMT-Government Portfolio, a SEC registered (2a-7) external money market mutual fund, 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, 2020, The Term portfolio has a duration of .15 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	\$ 551,118
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Total Business-type Activities	\$ 551,118
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Total Restricted Cash	\$ 551,118
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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 6th. These taxes are based on the assessed values as of January 1, 2019. 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, \$5,000. 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:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
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 expenditure until then. The City has one item that meets this criterion, contributions made to the pension plan in the 2020 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 statute.

Fund Balances

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

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance – This classification includes 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 non-spendable. 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 classified 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. Defined Benefit Cost-Sharing Plans

For purposes of measuring the net pension liability, 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 Position of Individual Funds

For the year ended June 30, 2020 the Public Transportation Fund had a deficit of \$2,157,306 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, 2020, the City's deposits had a carrying amount of \$15,988,059 and a bank balance of \$16,660,321. 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 \$163,662 and the bank balance was \$178,060. All of the bank balance was covered by federal depository insurance. At June 30, 2020, the City's petty cash fund totaled \$5,010.

III. Detail Notes on All Funds: (continued)2. Investments

At June 30, 2020, 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	\$14,825,726	various	AAA
Government Agency:				
Federal Farm Credit Bank	Fair Value Level 1	13,951,795	various	AA+
Federal National Mortgage Assn	Fair Value Level 1	6,271,550	various	AA+
Federal Home Loan Bank	Fair Value Level 1	8,263,683	various	AAA
Federal Home Loan Mtg Corp	Fair Value Level 1	8,775,564	various	AA+
Commercial Paper:				
Commercial Paper - ING	Fair Value Level 1	1,190,139	6/26/20	A-1
Commercial Paper- Exxon	Fair Value Level 1	996,928	9/18/2020	A-1
Commercial Paper- JP Morgan	Fair Value Level 1	2,974,223	various	A-1
Commercial Paper – TOYCC	Fair Value Level 1	992,767	11/19/2020	A-1
Commercial Paper – Toyota	Fair Value Level 1	1,975,097	12/29/2020	A-1
Commercial Paper – CARHEL	Fair Value Level 1	1,997,083	various	A-1
Commercial Paper – CARHLT	Fair Value Level 1	998,133	various	A-1
Commercial Paper – DCATLLC	Fair Value Level 1	997,093	various	A-1
CD	Fair Value Level 1	1,481,384	Various	A-1
NC Capital Management Trust – Cash Portfolio	Fair Value Level 1	30,913,478	N/A	AAAm
NC Capital Management Trust – Term Portfolio	Fair Value Level 1	11,601,119	0.15 years	Unrated
Total:		\$ 108,205,762		

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.

III. Detail Notes on All Funds: (continued)

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, 2020.

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 Position includes penalties and interest levied and outstanding in the amount of \$30,170.

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

<u>Fund</u>	<u>6/30/20</u>
General Fund:	
Taxes receivable	\$ 710,955
Solid Waste receivables	511,576
Special Revenue Funds:	
Rehabilitation Loan Program Fund:	
Rehabilitation Loans	113,302
Home Incentive Loans	-
Rental Rehabilitation Loan Program Fund:	
Rehabilitation Loans	17,562
Downtown Special Tax District Fund:	
Taxes Receivable	35,431
Home Program Fund:	
Home Incentive Loans	320,324
Enterprise Fund:	
Water and Sewer Fund:	
Utility Receivables	<u>67,194</u>
Total	<u>\$ 1,776,344</u>

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

Capital asset activity for the Primary Government for the year ended June 30, 2020, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 8,628,374	\$ -	\$ -	\$ 8,628,374
Construction in progress	<u>7,272,116</u>	<u>5,786,622</u>	<u>4,091,567</u>	<u>8,967,171</u>
Total capital assets not being depreciated	<u>15,900,490</u>	<u>5,786,622</u>	<u>4,091,567</u>	<u>17,595,545</u>
Capital assets being depreciated:				
Buildings	49,628,057	2,516,000	-	52,144,057
Streets and sidewalks	36,447,652	1,899,614	-	38,347,266
Equipment	12,763,556	464,766	16,560	13,211,762
Vehicles	<u>21,748,452</u>	<u>1,131,345</u>	<u>556,091</u>	<u>22,323,706</u>
Total capital assets being depreciated	<u>120,587,717</u>	<u>6,011,725</u>	<u>572,651</u>	<u>126,026,791</u>
Less accumulated depreciation for:				
Buildings	23,834,663	1,293,715	-	25,128,378
Streets and sidewalks	19,321,350	1,084,465	-	20,405,815
Equipment	8,781,883	1,134,188	16,560	9,899,511
Vehicles	<u>12,350,922</u>	<u>1,352,193</u>	<u>538,608</u>	<u>13,164,507</u>
Total accumulated depreciation	<u>64,288,818</u>	<u>4,864,561</u>	<u>555,168</u>	<u>68,598,211</u>
Total capital assets being depreciated, net	<u>56,298,899</u>			<u>57,428,580</u>
Governmental activity capital assets, net	<u>\$ 72,199,389</u>			<u>\$ 75,024,125</u>

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

General government	\$ 446,223
Public safety	1,496,532
Public works	2,052,899
Cultural and recreational	<u>868,907</u>
Total depreciation expense	<u>\$ 4,864,561</u>

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	42,440	-	-	42,440
General equipment	-	-	-	-
Vehicle	1,228,838	24,316	-	1,253,154
Total capital assets being depreciated	1,299,431	24,316	-	1,323,747
Less accumulated depreciation for:				
Building	4,341	1,408	-	5,749
Infrastructure	3,276	2,383	-	5,659
General equipment	-	-	-	-
Vehicle	789,079	248,662	-	1,037,741
Total accumulated depreciation	796,696	\$ 252,453	\$ -	1,049,149
Total capital assets being depreciated, net	502,735			274,598
Public Transportation fund capital assets, net	\$ 502,735			\$ 274,598
Storm Water Fund				
Capital assets not being depreciated:				
Construction in progress	\$ 402,635	\$ 72,895	\$ -	\$ 475,530
Total capital assets not being depreciated	402,635	72,895	-	475,530
Capital assets being depreciated:				
Building	173,394	-	-	173,394
Infrastructure	154,081	8,578	-	162,659
General equipment	230,561	-	-	230,561
Vehicle	333,176	-	21,957	311,219
Total capital assets being depreciated	891,212	8,578	21,957	877,833
Less accumulated depreciation for:				
Building	41,716	5,754	-	47,470
Infrastructure	13,813	8,401	-	22,214
General equipment	166,206	18,357	-	184,563
Vehicle	105,460	24,468	21,957	107,971
Total accumulated depreciation	327,195	\$ 56,980	\$ 21,957	362,218
Total capital assets being depreciated, net	564,017			515,615
Storm water fund capital assets, net	\$ 966,652			\$ 991,145

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	<u>1,801,733</u>	<u>1,178,428</u>	<u>2,688,937</u>	<u>291,224</u>
Total capital assets not being depreciated	<u>8,747,177</u>	<u>1,178,428</u>	<u>2,688,937</u>	<u>7,236,668</u>
Capital assets being depreciated:				
Water lines	56,774,268	474,232	-	57,248,500
Sewer lines	86,139,507	1,282,183	-	87,421,690
Buildings, plant, & pumping equipment				
Water	54,832,240	543,915	-	55,376,155
Sewer	67,391,553	1,331,654	-	68,723,207
General equipment	4,183,204	171,706	30,028	4,324,882
Vehicles	<u>3,637,175</u>	<u>175,917</u>	<u>41,829</u>	<u>3,771,263</u>
Total capital assets being depreciated	<u>272,957,947</u>	<u>3,979,607</u>	<u>71,857</u>	<u>276,865,697</u>
Less accumulated depreciation for:				
Water and sewer lines	26,408,522	1,782,803	-	28,191,325
Water and sewer lines	28,571,728	1,400,774	-	29,972,502
Buildings, plant, & pumping, equipment				
Water	34,769,998	1,480,035	-	36,250,033
Sewer	44,734,165	1,260,770	-	45,994,935
General equipment	2,358,551	230,955	30,028	2,559,478
Vehicles	<u>2,466,435</u>	<u>282,824</u>	<u>41,829</u>	<u>2,707,430</u>
Total accumulated depreciation	<u>139,309,399</u>	<u>\$ 6,438,161</u>	<u>\$ 71,857</u>	<u>145,675,703</u>
Total capital assets being depreciated, net	<u>133,648,548</u>			<u>131,189,994</u>
Water and Sewer fund capital assets, net	<u>\$ 142,395,725</u>			<u>\$ 138,426,662</u>
Business-type activity capital assets, net	<u>\$ 143,865,112</u>			<u>\$ 139,692,405</u>

5. Construction Commitments

The government has active construction projects as of June 30, 2020. At year-end, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Animal Services Center	\$ 4,905,807	\$ 401,993
Front Street Greenway	499,989	265,986
City Park Carousel Renovations	347,395	1,205,479
North Park Pool Renovations	2,815,739	812,261
City Park Carousel Renovations	347,395	1,205,479
Willowbrook Park Arboretum	371,639	1,928,361
JD Mack Wastewater Treatment Plant	190,980	3,234,220
Total	\$ 9,478,944	\$ 9,053,779

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 actuarially determined and set annually by the LGERS Board of Trustees. The City of Burlington's contractually required contribution rate for the year ended June 30, 2020, was 9.70% of compensation for law enforcement officers and 9.02% 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 \$3,008,891. 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 must 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, 2020, the City reported a liability of \$13,525,710 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2019, the City's proportion was 0.495%, which was a decrease of 0.0112% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the City recognized pension expense of \$5,962,035. At June 30, 2020, 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	\$ 2,315,944	\$ -
Changes of assumptions	2,204,467	-
Net difference between projected and actual earnings on pension plan investments	329,911	-
Changes in proportion and differences between contributions and proportionate share of contributions	12,792	170,370
City contributions subsequent to the measurement date	3,008,891	
Total	\$ 7,872,005	\$ 170,370

\$3,008,891 reported as deferred outflows are contributions made after the measurement date of the net pension liability but before the end of the City's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period.

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

Year ended June 30:

2021	\$1,275,062
2022	336,849
2023	-
2024	-
2025	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the December 31, 2018 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, 2018 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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	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 2018 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:

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
City's proportionate share of the net pension liability (asset)	\$ 30,935,773	\$ 13,525,710	\$ (945,579)

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, 2018, the Separation Allowance's membership consisted of:

Retirees receiving benefits	31
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>133</u>
Total	<u>164</u>

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, 2018 valuation. The total pension liability in the December 31, 2018 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 7.35 percent, including inflation and productivity factor
Discount rate	3.26 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, 2018.

Mortality rates are based on the RP-2015 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 \$638,285 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, 2020, the City reported a total pension liability of \$6,584,509. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation date. The total pension liability was then rolled forward to the measurement date of December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the City recognized pension expense of \$592,548.

	Deferred Outflows of Resources	Inflows of Resources
Differences between expected and actual experience	\$ 409,846	\$ -
Changes of assumptions	312,998	189,993
Benefit payments and plan administrative expense made subsequent to the measurement date	351,257	-
Total	<u>\$ 1,074,101</u>	<u>\$ 189,993</u>

\$351,257 reported as deferred outflows are contributions made after the measurement date of the OPEB liability but before the end of the City's reporting period will be recognized as a reduction of the OPEB liability in the subsequent fiscal period rather than in the current fiscal period. 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)
2021	\$62,959
2022	\$59,606
2023	\$40,618
2024	\$26,810
2025	\$0
Thereafter	\$0

\$351,257 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 3.26 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 (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate:

	1% Decrease (2.26%)	Current Discount Rate (3.26%)	1% Increase (4.26%)
Total Pension Liability	\$ 7,069,443	\$ 6,548,509	\$ 6,073,698

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

	2020
Beginning balance as of December 31, 2018	\$ 6,296,757
Service cost	233,651
Interest on the total pension liability	217,476
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	259,188
Changes of assumptions or other inputs	185,708
Benefit payments	(644,271)
Other changes	-
Net changes	<u>\$ 251,752</u>
Ending balance of the total pension liability as of December 31, 2019	<u>\$ 6,548,509</u>

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, 2018 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)

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

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

	LGERS	LEOSSA	Total
Pension Expense	\$ 5,962,035	\$ 592,548	\$ 6,554,583
Pension Liability	13,525,710	6,548,509	20,074,219
Proportionate share of the net pension liability	0.49500%	n/a	
 Deferred of Outflows of Resources			
Differences between expected and actual experience	2,315,944	409,846	2,725,790
Changes of assumptions	2,204,467	312,998	2,517,465
Net difference between projected and actual earnings on plan investments	329,911	-	329,911
Changes in proportion and differences between contributions and proportionate share of contributions	12,792	-	12,792
Benefit payments and administrative costs paid subsequent to the measurement date	3,008,891	351,257	3,360,148
 Deferred of Inflows of Resources			
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	189,993	189,993
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	170,370	-	170,370

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, 2020 were \$661,520 which consisted of \$375,342 from the City and \$286,178 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, 2020 for general employees were \$2,073,604, which consisted of \$1,240,208 from the City and \$833,396 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 (FRSWPF), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. The FRSWPF 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 non-employer contributor, funds the plan through appropriations. The City does not contribute to the plan. Contribution provisions are established by General Statute 58-86 and may be amended only by the North Carolina General Assembly. For the fiscal year ending June 30, 2020, the state contributed \$18,302,000 to the plan. The City of Burlington's proportionate share of the State's contribution is \$50,134.

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, 2020, 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 \$95,227. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2020 and at June 30, 2019 was 0%.

For the year ended June 30, 2020, the City recognized pension expense of \$50,134 and revenue of \$50,134 for support provided by the State. At June 30, 2020, 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, 2018 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, 2020, 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	<u>337</u>	<u>136</u>
Total	<u><u>504</u></u>	<u><u>136</u></u>

Total OPEB Liability

The City's total OPEB liability of \$29,480,119 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2019 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, 2018	\$ 27,816,998
Changes for the year	
Service cost	741,450
Interest	1,044,090
Changes of benefit terms	-
Differences between expected and actual experience	704,757
Changes in assumptions or other inputs	1,144,957
Benefit payments	(1,972,132)
Other	-
Net changes	<u>1,663,122</u>
Balance at June 30, 2019	<u>\$ 29,480,120</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.89% to 3.50%.

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, 2019 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 (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	\$ 32,719,462	\$ 29,480,119	\$ 26,663,143

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 (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	\$ 26,902,274	\$ 29,480,119	\$ 32,486,395

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, 2020, the City recognized OPEB expense of \$1,808,046. At June 30, 2020, 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	\$ 906,342	\$ 463,534
Changes of assumptions	1,033,061	861,413
Benefit payments and administrative costs made subsequent to the measurement date	2,329,882	-
Total	<u>\$ 4,269,285</u>	<u>\$ 1,324,947</u>

\$2,329,882 reported as deferred outflows are contributions made after the measurement date of the net pension liability but before the end of the City's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$ 22,507
2022	22,507
2023	179,774
2024	254,267
2025	112,894
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 reported on the Statement of Net Position are comprised of the following:

Source	Amount
Contributions to pension plan in current fiscal year	\$ 3,008,891
Benefit payments and administrative expenses for LEOSA made subsequent to measurement date	351,257
Benefit payments and administrative expenses for OPEB made subsequent to measurement date	2,329,882
Differences between expected and actual experience	3,632,133
Changes of assumptions	3,550,526
Net difference between projected and actual earnings on pension plan investments	329,911
Changes in proportion and differences between employer contributions and proportionate share of contributions	12,792
Charge on refunding	
Total	<u>\$ 13,215,392</u>

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

	Statement of Net Position	General Fund Balance Sheet
Deferred Gain on refunding	\$ 137,708	\$ -
Taxes Receivable, less penalties (General Fund)		905,969
Changes in assumptions	1,051,407	-
Differences between expected and actual experience	463,534	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	170,370	-
Total	<u>\$ 1,823,019</u>	<u>\$ 905,969</u>

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 \$850,000 per claim occurrence. The commercial insurance provides \$1,000,000 in coverage for claims in excess of the City's assumed aggregate risk of \$2,595,029 annually. At June 30, 2020 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, 2020, 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, 2020 the Group Health Benefits Fund had a recorded liability of \$782,478 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, 2020, 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 22, 2018 the City entered into a direct placement installment 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%. On July 18, 2019 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 \$646,564 beginning July 18, 2019 with interest of 2.09%.

III. Detail Notes on All Funds: (continued)

Annual debt service payments of the installment purchase as of June 30, 2020, including \$58,234 of interest, are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,338,461	\$ 45,004
2022	<u>633,334</u>	<u>13,230</u>
Present value of the minimum lease payments	<u>\$ 1,971,795</u>	
Total interest payments		<u>\$ 58,234</u>

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, 2020 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. \$ 2,897,000

Serviced by the Water and Sewer Fund:

There is no General Obligation debt serviced by Water and Sewer Fund as of June 30, 2002.

\$ 2,897,000

At June 30, 2020 the City of Burlington had a legal debt margin of \$ 405,876,269.

III. Detail Notes on All Funds: (continued)General Obligation Bonds

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

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 508,000	\$ 53,595	\$ -	\$ -
2022	498,000	44,197	-	-
2023	488,000	34,984	-	-
2024	478,000	25,956	-	-
2025	468,000	17,113	-	-
2026	457,000	8,455	-	-
Totals	<u>\$ 2,897,000</u>	<u>\$ 184,300</u>	<u>\$ -</u>	<u>\$ -</u>

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.

\$ 2,630,000

Year Ending June 30	Principal	Interest
2021	\$ 665,000	\$ 116,688
2022	660,000	90,088
2023	655,000	57,088
2024	650,000	29,250
	<u>\$ 2,630,000</u>	<u>\$ 293,114</u>

\$10,700,000 of Combined Enterprise System Revenue bonds, Series 2010B

Build America Bonds (Direct Payment). Interest is payable semiannually on February 1st and August 1st at a fixed rate of 5.412% to 6.975%. The City will receive a subsidy of 35 percent of interest cost from the Federal Government.

\$ 10,700,000

Year Ending June 30	Principal	Interest
2021	\$ 465,000	\$ 678,466
2022	485,000	653,301
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	858,274
	<u>\$ 10,250,000</u>	<u>\$ 6,572,661</u>

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.

\$ 14,300,000

Year Ending June 30	Principal	Interest
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	1,472,913
2028-2032	4,260,000	1,785,863
2033-2037	<u>5,330,000</u>	<u>722,475</u>
	<u>\$ 14,300,000</u>	<u>\$ 6,265,839</u>

The City has been in compliance with the covenants as to rates, fees, rentals and charges in Section 704 of the Bond Order, authorizing the issuance of the Water and Sewer Bonds, Series 2010A, 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 \$40,311,611 as of June 30, 2020. 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 position at a level that provides that 15% of unrestricted net position 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 position at June 30, 2020 were \$6,582,739 to provide a coverage ratio of 565%. The long-term debt service coverage ratio calculations for the year ended June 30, 2020, is as follows:

Operating revenues	\$ 30,034,324
Operating expenses*	19,729,557
Operating income	10,304,767
Nonoperating revenues (expenses)**	1,061,549
Income available for debt service	11,366,316
Debt service, principal and interest paid (Revenue bond only)	3,176,383
Debt service coverage ratio	358%

*Per rate covenants, this does not include the depreciation expense of \$6,438,161

** Per rate covenants, this does not include revenue bond interest paid of \$1,475,449

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.

III. Detail Notes on All Funds: (continued)Changes in Long-Term Liabilities

	Restated Balance <u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2020</u>	Current Portion of Balance
Governmental activities:					
General Obligation bonds	\$ 3,414,000	\$ -	\$ 517,000	\$ 2,897,000	\$ 508,000
Add: Bond premium	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Obligation bonds	<u>3,414,000</u>	<u>-</u>	<u>517,000</u>	<u>2,897,000</u>	<u>508,000</u>
Direct placement					
Installment purchase	2,089,559	1,900,272	2,018,036	1,971,795	1,338,461
Compensated absences	2,553,052	2,331,849	2,072,346	2,812,555	703,139
Net pension liability (LGERS)	10,181,094	1,275,182	-	11,456,276	-
Total pension liability (LEO)	6,296,757	251,752	-	6,548,509	-
OPEB liability-General Fund	<u>23,560,997</u>	<u>1,408,663</u>	<u>-</u>	<u>24,969,660</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$48,095,459</u>	<u>\$ 7,167,718</u>	<u>\$ 4,607,382</u>	<u>\$ 50,655,795</u>	<u>\$ 2,549,600</u>
Business-type activities:					
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Bonds	28,880,000	-	1,700,000	27,180,000	1,735,000
Add: Bond premium	<u>695,777</u>	<u>-</u>	<u>42,062</u>	<u>653,715</u>	<u>-</u>
Total Revenue Bonds	<u>29,575,777</u>	<u>-</u>	<u>1,742,062</u>	<u>27,833,715</u>	<u>1,735,000</u>
Compensated absences	269,776	369,315	317,778	321,313	80,328
Net pension liability (LGERS)	1,839,088	230,346	-	2,069,434	-
OPEB liability	<u>4,256,001</u>	<u>254,458</u>	<u>-</u>	<u>4,510,459</u>	<u>-</u>
Business-type activity long-term liabilities	<u>\$35,940,642</u>	<u>\$ 854,119</u>	<u>\$ 2,059,840</u>	<u>\$ 34,734,921</u>	<u>\$ 1,815,328</u>

Compensated absences for governmental activities have 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 \$2,555,628.

Transfers to/from other funds at June 30, 2020 consist of the following:

	<u>Transfers</u>	
	<u>In</u>	<u>Out</u>
Transfers To/From Other Funds:		
<u>General Fund</u>		
Group Health Benefits	\$ -	\$ 1,047,934
Animal Shelter	-	81,000
MPO Planning Transportation	-	99,519
Dentzel Carousel Restoration	-	50,000
Workmen's Compensation	-	565,768
Street Resurfacing	-	900,000
North Park Pool	-	3,428,000
Transportation	-	<u>407,814</u>
Total General Fund	<u>-</u>	<u>6,580,035</u>
<u>Special Revenue Funds</u>		
MPO Planning Transportation		
General Fund	99,519	-
Transportation		
General Fund	<u>407,814</u>	-
Total Internal Service Funds	<u>507,333</u>	<u>-</u>
<u>Internal Service Funds</u>		
Group Health Benefits		
General Fund	1,047,934	-
Water Resources Fund	561,424	-
Workmen's Compensation Fund		
General Fund	565,768	-
Water & Sewer Fund	<u>380,502</u>	-
Total Internal Service Funds	<u>2,555,628</u>	<u>-</u>
<u>Water Resources Fund</u>		
Water Capital Reserve	-	4,059,489
Sewer Capital Reserve	-	604,289
Workmen's Compensation	-	380,502
Group Health Insurance	-	561,424
Street Resurfacing	-	<u>565,000</u>
Total Water Resources Fund	<u>-</u>	<u>6,170,704</u>

III. Detail Notes on All Funds: (continued)

Water Capital Projects

Water Capital Reserve		
Water Resources Fund	1,934,289	-
Sewer Capital Reserve		
Water Resources Fund	604,289	-
J D Mackintosh Trtmnt Process		
Water Resources Fund	<u>2,125,200</u>	<u>-</u>
Total Water Capital Projects	<u>4,663,778</u>	<u>-</u>

Capital Projects

Trans. Sidewalks & Intersection Improv.		900,000
Street Resurfacing	900,000	
Animal Shelter Fund		-
General Fund	81,000	
Street Resurfacing	-	
General Fund	900,000	-
Water Resources Fund	565,000	-
North Park Pool		
General Fund	3,428,000	-
Dentzel Carousel Restoration		
General Fund	<u>50,000</u>	<u>-</u>
Total Capital Projects	<u>5,924,000</u>	<u>900,000</u>
Total Operating Transfers	<u>\$ 13,650,739</u>	<u>\$ 13,650,739</u>

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

D. On-Behalf Payments for Fringe Benefits and Salaries

The City has recognized as a revenue and an expenditure on-behalf payments for fringe benefits and salaries of \$50,134 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, 2020. 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

There were no prior period adjustments.

III. Detail Notes on All Funds: (continued)

F. Net Investment in Capital Assets

The table below shows the net investment in capital assets.

	6/30/2019		6/30/2020	
	<u>Governmental</u>	<u>Business-type</u>	<u>Governmental</u>	<u>Business-type</u>
Capital Assets	\$72,199,389	\$143,865,112	\$75,024,125	\$139,692,405
Less: Long-term debt	5,503,559	29,575,777	4,868,795	27,833,715
Deferred gain on refunding	107,612	55,935	92,239	45,470
Add: unexpended debt proceeds	-	-	-	-
Net investments in Capital Assets	<u>\$66,588,218</u>	<u>\$114,233,400</u>	<u>\$70,063,091</u>	<u>\$111,813,220</u>

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	\$ 34,022,227
Less:	
Stabilization by State Statute	8,615,650
Historic Books	1,418
Animal Shelter	17,800
Capital Reserve Fund	4,070,628
Appropriated Fund Balance in 2021 budget	1,636,986
General Government	3,450,000
Economic Development	2,000,000
Public Works	1,172,300
Parks and Recreation	115,897
Public Safety:	
Police	3,750,000
Fire	1,200,000
Disaster Management	500,000
Working Capital/Fund Balance Policy	7,491,548
Remaining Fund Balance	-

IV. Jointly Governed Organization

The City, in conjunction with six counties and thirty-two other municipalities, established the Piedmont Triad Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The City paid membership fees of \$21,474 to the Council during the fiscal year ended June 30, 2020.

III. Detail Notes on All Funds: (continued)

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, 2020. 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, 2020. 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

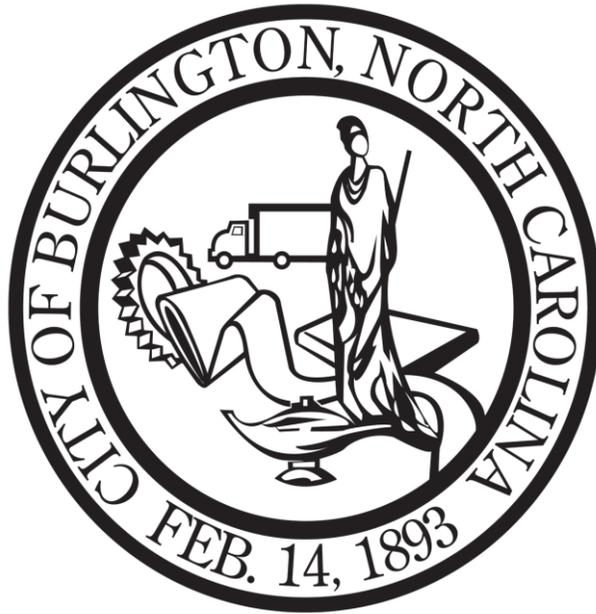
The members of the governing board of the Burlington Housing Authority are appointed by the City but the City has no authority in selecting the management of the Authority. The City is not responsible for financing any deficits of the Authority nor is it entitled to any surpluses. The Authority does 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.



**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 Seven Fiscal Years *

Local Government Employees' Retirement System

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Burlington's proportion of the net pension liability (asset) (%)	0.49528%	0.50668%	0.49740%	0.48874%	0.49890%	0.49830%	0.50280%
Burlington's proportion of the net pension liability (asset) (\$)	\$ 13,525,710	\$ 12,020,182	\$ 7,598,894	\$ 10,372,700	\$ 2,239,168	\$ (2,938,645)	\$ 6,060,671
Burlington's covered payroll	\$ 32,267,100	\$ 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 payroll	41.92%	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%	99.07%	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 Seven Fiscal Years**

Local Government Employees' Retirement System

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 5,962,035	\$ 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	5,962,035	3,287,269	2,507,225	2,715,090	2,010,823	1,981,518	1,898,880
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Burlington's covered payroll	\$32,724,665	\$ 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	18.22%	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 Six Fiscal Years *

Firefighters' and Rescue Squad Workers' Pension

	2020	2019	2018	2017	2016	2015
Burlington's proportionate share of the net pension liability (%)	0.0000%	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	50,134	35,630	25,009	25,658	6,948	21,722
Total	\$ 50,134	\$ 35,630	\$ 25,009	\$ 25,658	\$ 6,948	\$ 21,722
Burlington's covered payroll	\$ 5,435,248	\$ 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	0.92%	0.66%	0.48%	0.51%	0.15%	0.52%
Plan fiduciary net position as a percentage of the total pension liability	89.69%	89.69%	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, 2020

	2020	2019	2018	2017
Beginning balance	\$ 6,296,757	\$ 6,506,414	\$ 5,983,262	\$ 6,144,882
Service Cost	233,651	251,901	210,184	219,380
Interest on the total pension liability	217,476	196,833	221,492	211,136
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	259,188	126,532	242,810	-
Changes of assumptions or other inputs	185,708	(229,900)	338,897	(130,693)
Benefit payments	(644,271)	(555,023)	(490,231)	(461,443)
Other changes	-	-	-	-
Ending balance of the total pension liability	<u>\$ 6,548,509</u>	<u>\$ 6,296,757</u>	<u>\$ 6,506,414</u>	<u>\$ 5,983,262</u>

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, 2020

	2020	2019	2018	2017
Total pension liability	\$ 6,548,509	\$ 6,296,757	\$ 6,506,414	\$ 5,983,262
Covered payroll	8,610,280	8,299,065	7,999,099	7,709,975
Total pension liability as a percentage of covered payroll	76.05%	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, 2020

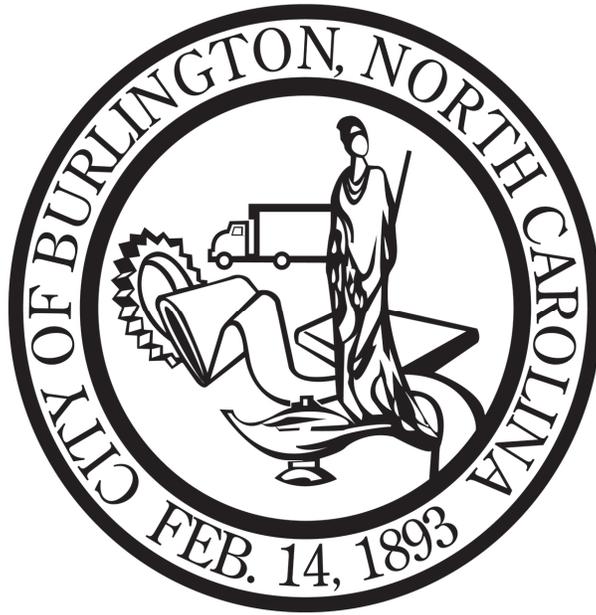
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	741,450	822,063	896,725
Interest	1,044,089	976,349	857,596
Changes of benefit terms	-	-	-
Differences between expected and actual experience	704,757	(674,712)	612,719
Changes of assumptions	1,144,957	97,937	(1,692,359)
Benefit payments	<u>(1,972,132)</u>	<u>(1,645,934)</u>	<u>(1,836,305)</u>
Net change in total OPEB liability	1,663,121	(424,297)	(1,161,624)
Total OPEB liability - beginning	<u>27,816,998</u>	<u>28,241,295</u>	<u>29,402,919</u>
Total OPEB liability - ending	<u>29,480,119</u>	<u>27,816,998</u>	<u>28,241,295</u>
Covered payroll	18,200,559	18,200,559	19,207,118
Total OPEB liability as a percentage of covered payroll	161.97%	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:

<u>Fiscal year</u>	<u>Rate</u>
2020	3.50%
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.



GENERAL FUND
Individual Fund Schedule

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 BALANCE SHEET
 For the Fiscal Year Ended June 30, 2020

<u>ASSETS</u>	
Cash and cash equivalents	\$ 25,337,617
Receivables (net):	
Taxes	932,397
Accounts	7,866,346
Prepaid expenses	<u>-</u>
Total Assets	<u>\$ 34,136,360</u>
<u>LIABILITIES AND FUND BALANCE</u>	
LIABILITIES:	
Accounts payable and accrued liabilities	\$ 3,278,792
Deferred Revenue	<u>905,969</u>
Total Liabilities	<u>4,184,761</u>
FUND BALANCES:	
Restricted:	
Stabilization by State Statute	8,615,650
Historic Books	1,418
Animal Shelter	17,800
Assigned:	
Subsequent Years Expenditures	1,636,986
General Government	3,450,000
Economic Development	2,000,000
Public Works	1,172,300
Parks and Recreation	115,897
Public Safety	5,450,000
Unassigned:	<u>7,491,548</u>
Total Fund balances	<u>29,951,599</u>
Total Liabilities and fund balances	<u>\$ 34,136,360</u>

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Ad Valorem Taxes:			
Current year	29,137,473	29,783,988	\$ -
Prior year	410,040	548,740	
Penalties and interest	122,400	97,470	
Tax discounts	(91,800)	(133,732)	
Economic Dev Incentives	(225,212)	(290,986)	
Total	29,352,901	30,005,480	652,579
Other Taxes and Licenses:			
Payment in lieu of taxes	120,900	80,000	
Privilege licenses	2,000	3,048	
Cable TV franchise tax	350,000	321,463	
Local option sales tax	13,474,304	13,992,563	
Total	13,947,204	14,397,074	449,870
Unrestricted Intergovernmental Revenues:			
Utility franchise tax	3,950,000	3,837,233	
Beer and wine tax	220,000	230,644	
Alamance County fuel purchase	350,000	285,477	
ABC revenue	265,000	471,625	
Alamance Jr. Tennis Foundation	20,000	10,657	
Total	4,805,000	4,835,636	30,636
Restricted Intergovernmental Revenues:			
ABC police contract	35,000	119,959	
Powell Bill allocation	1,428,000	1,427,685	
NC Dept of Transportation	525,000	413,759	
On-behalf of Payments- Fire and rescue		50,134	
Camp Green Leaves	4,000	22,690	
PTCOG Grants	22,574	8,558	
Alam-Burl Schools-Aftersch Prog	185,000	292,500	
Alam-Burl Schools-School Guards			
Contributions-Fire		50	
Fire grants	9,546	9,546	
Animal Shelter	95,409	116,805	
Spay/Neuter Clinic	70,000	36,049	
Teen to Teen Theatre	500	1,500	
Junior Police Academy		8,530	
Recreation	160,250	25,814	
Senior Programs	60,000	62,412	
Reimbursed Cost	272,259	264,934	

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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues (Continued):			
Restricted Intergovernmental			
Revenues (Continued):			
Police Donations-Melvin Hall	3,894	3,894	
DOT Reimbursement			
N Park in Motion Prgm/Donat	200	1,865	
NCHFA Urgent Repair Grnt		19,113	
Donations - Miscellaneous		(160)	
Donations - Splash Pad Park		5,500	
Misc State Grants			
Federal Grant			
Peg Channel Support	54,054	54,705	
Total	<u>2,925,686</u>	<u>2,945,842</u>	<u>20,156</u>
Permits and Fees:			
Building permits & inspection fees	938,000	1,222,133	
Fees and permits - other	608,700	510,242	
Total	<u>1,546,700</u>	<u>1,732,375</u>	<u>185,675</u>
Sales and Services:			
Animal Control-Alam Co	568,767	566,912	
Miscellaneous	340,378	334,699	
Recreation dept revenues	1,487,790	1,339,772	
Cemetery lots and fees	119,000	126,040	
Sanitation fees	1,400,000	1,425,039	
Total	<u>3,915,935</u>	<u>3,792,462</u>	<u>(123,473)</u>
Investment Earnings:			
Investment earnings	500,000	750,619	
Interest Subsidy			
Interest earned -street assess		7,254	
Vacant Lot/Demo Interest		62,694	
Total	<u>500,000</u>	<u>820,567</u>	<u>320,567</u>
Miscellaneous:			
Miscellaneous	139,226	263,399	
Total	<u>139,226</u>	<u>263,399</u>	<u>124,173</u>
Total Revenues	<u>57,132,652</u>	<u>58,792,835</u>	<u>1,660,183</u>

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General Government:			
City Council:			
Salaries and employee benefits	92,187	90,974	
Operating expenditures	82,000	<u>129,085</u>	
Total		220,059	
Reimbursement from Water and Sewer Fund	<u>(44,946)</u>	<u>(44,946)</u>	
Total City Council	<u>129,241</u>	<u>175,113</u>	<u>(45,872)</u>
Public Administration:			
Salaries and employee benefits	696,026	670,492	
Operating expenditures	27,420	<u>31,633</u>	
Total		702,125	
Reimbursement from Water and Sewer Fund	<u>(171,469)</u>	<u>(171,469)</u>	
Total Public Administration	<u>551,977</u>	<u>530,656</u>	<u>21,321</u>
Public Information:			
Salaries and employee benefits	218,133	190,031	
Operating expenditures	63,484	<u>70,888</u>	
Total		260,919	
Reimbursement from Water and Sewer Fund	<u>(69,320)</u>	<u>(69,320)</u>	
Total Public Administration	<u>212,297</u>	<u>191,599</u>	<u>20,698</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General Government:			
Expenditures (Continued):			
General Government (Continued):			
PEG Support:			
Salaries and employee benefits	15,049	109	
Operating expenditures	34,070	9,551	
Capital Outlay			
Total		<u>9,660</u>	
Reimbursement from Water and Sewer Fund			
Total PEG Support	<u>49,119</u>	<u>9,660</u>	<u>39,459</u>
Economic Development:			
Salaries and employee benefits	181,580	175,336	
Operating expenditures	62,000	59,378	
Total		<u>234,714</u>	
Reimbursement from Water and Sewer Fund			
Total Economic Development	<u>243,580</u>	<u>234,714</u>	<u>8,866</u>
Finance:			
Supervision:			
Salaries and employee benefits	616,369	495,892	
Operating expenditures	26,000	28,161	
Capital Outlay	-	-	
		<u>524,053</u>	
Reimbursement from Water and Sewer Fund	<u>(321,966)</u>	<u>(321,966)</u>	
Net	320,403	202,087	

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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General Government:			
Expenditures (Continued):			
General Government (Continued):			
Cust Serv/Collections:			
Salaries and employee benefits	385,871	350,245	
Operating expenditures	123,950	<u>171,964</u>	
		522,209	
Reimbursement from Water and Sewer Fund	<u>(289,897)</u>	<u>(289,897)</u>	
Net	219,924	232,312	
Purchasing:			
Salaries and employee benefits	321,073	306,636	
Operating expenditures	21,000	15,202	
Capital Outlay	<u>-</u>	<u>-</u>	
Total Purchasing	342,073	321,838	
Total Finance	<u>882,400</u>	<u>756,237</u>	<u>126,163</u>
Information Technologies:			
Salaries and employee benefits	786,561	769,922	
Operating expenditures	880,343	719,969	
Capital Outlay	66,400	<u>133,131</u>	
		1,623,022	
Reimbursement from Water and Sewer Fund	<u>(312,746)</u>	<u>(312,746)</u>	
Total Information Technologies	<u>1,420,558</u>	<u>1,310,276</u>	<u>110,282</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General Government:			
Expenditures (Continued):			
General Government (Continued):			
Legal:			
Salaries and employee benefits	400,962	288,859	
Operating expenditures	67,566	<u>41,375</u>	
		330,234	
Reimbursement from Water and Sewer Fund	<u>(145,541)</u>	<u>(145,541)</u>	
Total Legal	<u>322,987</u>	<u>184,693</u>	<u>138,294</u>
Human Resources:			
Salaries and employee benefits	288,290	295,226	
Operating expenditures	531,131	<u>487,127</u>	
		782,353	
Reimbursement from Water and Sewer Fund	<u>(263,843)</u>	<u>(263,843)</u>	
Total Human Resources	<u>555,578</u>	<u>518,510</u>	<u>37,068</u>
Planning GIS Division:			
Salaries and employee benefits	266,571	270,252	
Operating expenditures	73,997	44,318	
Capital Outlay	-	<u>-</u>	
		314,570	
Reimbursement from Water and Sewer Fund	<u>(221,284)</u>	<u>(221,284)</u>	
Total Planning GIS Division	<u>119,284</u>	<u>93,286</u>	<u>25,998</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General Government:			
Expenditures (Continued):			
General Government (Continued):			
Planning:			
Salaries and employee benefits	692,521	590,193	
Operating expenditures	119,840	265,924	
Capital Outlay	-	-	
		<u>856,117</u>	
Reimbursement from Water and Sewer Fund	<u>(221,283)</u>	<u>(221,283)</u>	
Total Planning	<u>591,078</u>	<u>634,834</u>	<u>(43,756)</u>
Code Enforcement:			
Salaries and employee benefits	306,124	243,281	
Operating expenditures	67,046	74,829	
Capital Outlay	-	-	
		<u>-</u>	
Total Code Enforcement	<u>373,170</u>	<u>318,110</u>	<u>55,060</u>
Engineering:			
Salaries and employee benefits	701,083	676,461	
Operating expenditures	79,698	74,781	
Capital Outlay	-	-	
		<u>751,242</u>	
Reimbursement from Water and Sewer Fund	<u>(237,705)</u>	<u>(237,705)</u>	
Total Engineering	<u>543,076</u>	<u>513,537</u>	<u>29,539</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General Government:			
Expenditures (Continued):			
General Government (Continued):			
General Administration and Building:			
Salaries and employee benefits	1,735,553	1,872,411	
Insurance	549,790	588,690	
Operating expenditures	580,886	402,675	
Special Projects	<u>232,500</u>	<u>232,500</u>	
Total General Admin and Building	<u>3,098,729</u>	<u>3,096,276</u>	<u>2,453</u>
Total General Government	<u>9,093,074</u>	<u>8,567,501</u>	<u>525,573</u>
Public Safety:			
Police:			
Administration:			
Salaries and employee benefits	1,249,760	1,157,038	
Operating expenditures	1,072,607	1,110,061	
Capital Outlay	<u>585,658</u>	<u>620,466</u>	
Total	<u>2,908,025</u>	<u>2,887,565</u>	<u>20,460</u>
Retirees:			
Salaries and employee benefits	623,010	668,285	
Operating expenditures	<u> </u>	<u> </u>	
Total	<u>623,010</u>	<u>668,285</u>	<u>(45,275)</u>
Records:			
Salaries and employee benefits	284,884	278,343	
Operating expenditures	241,482	205,307	
Capital Outlay	<u> </u>	<u> </u>	
Total	<u>526,366</u>	<u>483,650</u>	<u>42,716</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General Government:			
Expenditures (Continued):			
Public Safety (Continued):			
Training and Personnel Services:			
Salaries and employee benefits	486,306	419,555	
Operating expenditures	251,246	261,188	
Capital Outlay	<u>51,840</u>	<u>51,840</u>	
Total	<u>789,392</u>	<u>732,583</u>	<u>56,809</u>
CID/Special Ops:			
Salaries and employee benefits	2,435,720	2,707,851	
Operating expenditures	239,316	236,996	
Capital Outlay			
Total	<u>2,675,036</u>	<u>2,944,847</u>	<u>(269,811)</u>
Field Operations Division:			
Salaries and employee benefits	6,498,732	6,212,539	
Operating expenditures	83,095	56,033	
Capital Outlay	17,500	36,425	
Total	<u>6,599,327</u>	<u>6,304,997</u>	<u>294,330</u>
Community Policing:			
Salaries and employee benefits	1,426,026	1,536,533	
Operating expenditures	74,388	49,868	
Capital Outlay			
Total	<u>1,500,414</u>	<u>1,586,401</u>	<u>(85,987)</u>
Identification:			
Salaries and employee benefits	205,453	243,147	
Operating expenditures	97,735	73,194	
Capital Outlay			
Total	<u>303,188</u>	<u>316,341</u>	<u>(13,153)</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General Government:			
Expenditures (Continued):			
Public Safety (Continued):			
Communications:			
Salaries and employee benefits	1,166,142	1,019,871	
Operating expenditures	610,037	492,517	
Capital Outlay	<u>119,500</u>	<u>44,970</u>	
Total	<u>1,895,679</u>	<u>1,557,358</u>	<u>338,321</u>
Special Response Team:			
Salaries and employee benefits			
Operating expenditures	<u>75,832</u>	<u>46,880</u>	
Total	<u>75,832</u>	<u>46,880</u>	<u>28,952</u>
Emergency Management:			
Salaries and employee benefits	78,265	53,644	
Operating expenditures	<u>18,606</u>	<u>13,119</u>	
Total	<u>96,871</u>	<u>66,763</u>	<u>30,108</u>
Total Police	<u>17,993,140</u>	<u>17,595,670</u>	<u>397,470</u>
Animal Services:			
Field:			
Salaries and employee benefits	110,337	110,587	
Operating expenditures	<u>57,500</u>	<u>64,474</u>	
Total	<u>167,837</u>	<u>175,061</u>	<u>(7,224)</u>
Spay/Neuter Clinic:			
Salaries and employee benefits	23,800	15,221	
Operating expenditures	<u> </u>	<u> </u>	
Total	<u>23,800</u>	<u>15,221</u>	<u>8,579</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General Government:			
Expenditures (Continued):			
Public Safety (Continued):			
Shelter:			
Salaries and employee benefits	1,018,989	1,033,857	
Operating expenditures	471,594	451,303	
Capital Outlay	<u>27,800</u>	<u>31,100</u>	
Total	<u>1,518,383</u>	<u>1,516,260</u>	<u>2,123</u>
Total Animal Services	<u>1,710,020</u>	<u>1,706,542</u>	<u>3,478</u>
Fire:			
Administration:			
Salaries and employee benefits			
Operating expenditures	486,244	502,575	
Capital Outlay	<u>87,195</u>	<u>38,902</u>	
Total	<u>573,439</u>	<u>541,477</u>	<u>31,962</u>
Stds & Personnel Development:			
Salaries and employee benefits	81,300	77,535	
Operating expenditures	43,900	27,266	
Capital Outlay	<u> </u>	<u> </u>	
Total	<u>125,200</u>	<u>104,801</u>	<u>20,399</u>
Fire Code Compliance:			
Salaries and employee benefits	412,528	451,355	
Operating expenditures	26,800	14,969	
Capital Outlay	<u> </u>	<u> </u>	
Total	<u>439,328</u>	<u>466,324</u>	<u>(26,996)</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General Government:			
Expenditures (Continued):			
Public Safety (Continued):			
Emergency Response Svcs:			
Salaries and employee benefits	6,663,872	6,553,258	
Operating expenditures	356,000	305,299	
Capital Outlay	<u>51,000</u>	<u>50,995</u>	
Total	<u>7,070,872</u>	<u>6,909,552</u>	<u>161,320</u>
Emergency Svcs Facilities:			
Operating expenditures	208,897	208,365	
Capital Outlay			
Total	<u>208,897</u>	<u>208,365</u>	<u>532</u>
Training Center:			
Operating expenditures	52,900	43,703	
Capital Outlay			
Total	<u>52,900</u>	<u>43,703</u>	<u>9,197</u>
Emergency Response Equipment:			
Operating expenditures	139,500	143,117	
Capital Outlay			
Total	<u>139,500</u>	<u>143,117</u>	<u>(3,617)</u>
Total Fire	<u>8,610,136</u>	<u>8,417,339</u>	<u>192,797</u>
Total Public Safety	<u>28,313,296</u>	<u>27,719,551</u>	<u>593,745</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General Government:			
Expenditures (Continued):			
Public Works:			
Public Works Department:			
Supervision:			
Salaries and employee benefits	213,074	210,542	
Operating expenditures	20,450	26,936	
Capital Outlay			
Total	<u>233,524</u>	<u>237,478</u>	<u>(3,954)</u>
Building Maintenance:			
Salaries and employee benefits	740,689	652,058	
Operating expenditures	59,600	73,196	
Capital Outlay	15,800	54,608	
Total	<u>816,089</u>	<u>779,862</u>	<u>36,227</u>
Municipal Building:			
Salaries and employee benefits			
Operating expenditures	310,500	213,612	
Capital Outlay		5,330	
Total	<u>310,500</u>	<u>218,942</u>	<u>91,558</u>
May Memorial Library:			
Salaries and employee benefits			
Operating expenditures	120,000	123,253	
Capital Outlay			
Total	<u>120,000</u>	<u>123,253</u>	<u>(3,253)</u>
Equipment Maintenance:			
Salaries and employee benefits	862,623	829,019	
Operating expenditures	316,835	220,103	
Capital Outlay	7,000	18,773	
Total	<u>1,186,458</u>	<u>1,067,895</u>	<u>118,563</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General Government:			
Expenditures (Continued):			
Public Works (Continued):			
Streets:			
Salaries and employee benefits	1,080,791	958,403	
Operating expenditures	322,800	338,667	
Capital Outlay	<u>173,800</u>	<u>90,298</u>	
Total	<u>1,577,391</u>	<u>1,387,368</u>	<u>190,023</u>
Cemetery:			
Salaries and employee benefits	919,672	816,784	
Operating expenditures	269,650	355,844	
Capital Outlay	<u>50,000</u>	<u>54,295</u>	
Total	<u>1,239,322</u>	<u>1,226,923</u>	<u>12,399</u>
Sanitation:			
Salaries and employee benefits	1,234,346	1,059,004	
Operating expenditures	1,334,583	1,763,950	
Capital Outlay	<u>400,000</u>	<u>400,678</u>	
Total	<u>2,968,929</u>	<u>3,223,632</u>	<u>(254,703)</u>
Sustainability:			
Salaries and employee benefits	115,628	73,017	
Operating expenditures	23,000	86,226	
Capital Outlay	<u></u>	<u></u>	
Total	<u>138,628</u>	<u>159,243</u>	<u>(20,615)</u>
Inspections:			
Salaries and employee benefits	740,194	719,509	
Operating expenditures	72,245	40,212	
Capital Outlay	<u>50,000</u>	<u>72,503</u>	
Total	<u>862,439</u>	<u>832,224</u>	<u>30,215</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General Government:			
Expenditures (Continued):			
Public Works (Continued):			
Total Public Works	<u>9,453,280</u>	<u>9,256,820</u>	<u>196,460</u>
Transportation:			
Traffic Control Supervisor:			
Salaries and employee benefits	507,917	450,564	
Operating expenditures	312,650	257,724	
Capital Outlay	<u>12,810</u>	<u>21,787</u>	
	<u>833,377</u>	<u>730,075</u>	<u>103,302</u>
Street Signs - Marking:			
Salaries and employee benefits	185,368	203,072	
Operating expenditures	48,150	42,102	
Capital Outlay			
Total	<u>233,518</u>	<u>245,174</u>	<u>(11,656)</u>
Street lighting			
Salaries and employee benefits	650,000	739,244	
Operating expenditures			
Total	<u>650,000</u>	<u>739,244</u>	<u>(89,244)</u>
Total Transportation	<u>1,716,895</u>	<u>1,714,493</u>	<u>2,402</u>
Cultural and Recreation:			
Supervision:			
Salaries and employee benefits	361,757	389,782	
Operating expenditures	110,138	22,580	
Capital Outlay			
Total	<u>471,895</u>	<u>412,362</u>	<u>59,533</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General Government:			
Expenditures (Continued):			
Cultural and Recreation (Continued):			
Operating expenditures	109,122	94,101	
Capital Outlay			
Total	<u>109,122</u>	<u>94,101</u>	<u>15,021</u>
Athletics:			
Salaries and employee benefits	771,588	799,883	
Operating expenditures	452,190	442,965	
Capital Outlay	<u>149,500</u>	<u>164,723</u>	
Total	<u>1,373,278</u>	<u>1,407,571</u>	<u>(34,293)</u>
Special Events:			
Salaries and employee benefits	149,915	139,656	
Operating expenditures	182,515	178,294	
Capital Outlay			
Total	<u>332,430</u>	<u>317,950</u>	<u>14,480</u>
Fairchild Stadium:			
Salaries and employee benefits	33,000	41,264	
Operating expenditures	327,000	295,912	
Capital Outlay			
Total	<u>360,000</u>	<u>337,176</u>	<u>22,824</u>
Recreation Buildings:			
Salaries and employee benefits	1,092,303	1,126,804	
Operating expenditures	544,660	672,265	
Capital Outlay	<u>406,500</u>	<u>262,754</u>	
Total	<u>2,043,463</u>	<u>2,061,823</u>	<u>(18,360)</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General Government:			
Expenditures (Continued):			
Cultural and Recreation (Continued):			
Aquatics:			
Salaries and employee benefits	486,774	384,732	
Operating expenditures	147,500	206,092	
Capital Outlay	<u>3,000</u>	<u>3,000</u>	
Total	<u>637,274</u>	<u>593,824</u>	<u>43,450</u>
Camp Greenleaves:			
Salaries and employee benefits	48,443	37,583	
Operating expenditures	14,160	12,371	
Capital Outlay			
Total	<u>62,603</u>	<u>49,954</u>	<u>12,649</u>
Amusement Park:			
Salaries and employee benefits	98,224	79,733	
Operating expenditures	78,714	81,469	
Capital Outlay	<u>8,500</u>		
Total	<u>185,438</u>	<u>161,202</u>	<u>24,236</u>
Golf Course:			
Salaries and employee benefits	410,246	434,011	
Operating expenditures	223,076	295,564	
Capital Outlay	<u>30,000</u>	<u>30,769</u>	
Total	<u>663,322</u>	<u>760,344</u>	<u>(97,022)</u>
Paramount Theater:			
Salaries and employee benefits	140,128	141,993	
Operating expenditures	64,260	74,879	
Capital Outlay			
Total	<u>204,388</u>	<u>216,872</u>	<u>(12,484)</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General Government:			
Expenditures (Continued):			
Cultural and Recreation (Continued):			
Willowbrook Park Arboretum:			
Salaries and employee benefits	66,957	29,344	
Operating expenditures		15,006	
Capital outlay		2,195	
	<u>66,957</u>	<u>46,545</u>	<u>20,412</u>
Total			
Total Cultural and Recreation	<u>6,510,170</u>	<u>6,459,724</u>	<u>50,446</u>
Debt Service:			
Principal - bond	517,000	517,000	
Interest and other charges - bond	63,159	63,159	
Prepayment fee			
Principal - capital lease	2,008,302	2,007,718	
Interest and other charges - capital lease	58,797	57,944	
Pmts to refunding escrow agent		-	
	<u>2,647,258</u>	<u>2,645,821</u>	<u>1,437</u>
Total Debt Service			
Total Expenditures	<u>57,733,973</u>	<u>56,363,910</u>	<u>1,370,063</u>
Revenues Over(under) Expenditures	(1,149,495)	1,960,320	3,109,815

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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General Government:			
Expenditures (Continued):			
Other Financing Sources (Uses):			
Transfer to workers comp	(565,768)	(565,768)	-
Transfer to transportation	(407,814)	(407,814)	-
Year End budget amendment			-
Capital reserve fund			-
North Park Pool	(3,428,000)	(3,428,000)	-
Dentzel Carousel	(50,000)	(50,000)	-
Street Resurfacing	(900,000)	(900,000)	-
Animal Shelter	(81,000)	(81,000)	-
Group Health	(1,047,935)	(1,047,934)	1
MPO	(99,519)	(99,519)	-
Issuance from Installment financing	1,900,272	1,900,272	-
Capital Reserve Fund			-
Sale of properties & materials	50,000	55,709	5,709
Total Other Financing Sources (Uses)	<u>(4,629,764)</u>	<u>(4,624,054)</u>	<u>5,710</u>
Revenues and Other Sources			
Over (Under) Expenditures and			
Other Financing Uses	(5,779,259)	(2,663,734)	(3,115,525)
Fund balance, appropriated	<u>\$ 5,779,259</u>		
Net change in fund balance	<u>\$ -</u>		
Fund balance, beginning		<u>32,615,333</u>	
Fund balance, ending		<u>\$ 29,951,599</u>	

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, 2020

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Investment Earnings		\$ 23,413	\$ -
Total Revenues	-	23,413	23,413
Expenditures:			
Professional Services			-
Infrastructure	200,000		200,000
Total Expenditures	200,000	-	200,000
Revenues Over (Under) Expenditures	(200,000)	23,413	223,413
Other Financing Sources (Uses):			
Transfer from (to) other funds			
General Fund			-
Drainage Improvement			-
Fire Station No. 6			-
General Fund			-
Total Other Financing Sources (Uses)	0	0	-
Revenues and Other Sources Over (Under) Expenditures	\$ (200,000)	23,413	<u>\$ 223,413</u>
Fund balance, appropriated	<u>200,000</u>		
Net change in fund balance	<u>\$ -</u>		
Fund balance, beginning		<u>4,047,215</u>	
Fund balance, ending		<u>\$ 4,070,628</u>	

CITY OF BURLINGTON, NORTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 For The Fiscal Year Ended June 30, 2020

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 1,730,797	\$ 9,555,485	\$ 11,286,282
Receivables, net:			-
Taxes	61,660		61,660
Accounts	143,917		143,917
Accrued Interest		10,516	10,516
Housing rehabilitation loans	1,721,277		1,721,277
Home Incentive loans	32,000		32,000
Due from other funds	-		-
Total Assets	<u>\$ 3,689,651</u>	<u>\$ 9,566,001</u>	<u>\$ 13,255,652</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 308,615	\$ 2,928,368	\$ 3,236,983
Due to other funds			
Deferred Revenue	61,660		61,660
Total Liabilities	<u>370,275</u>	<u>2,928,368</u>	<u>3,298,643</u>
Fund Balances			
Restricted:			
Stabilization by State Statute			-
Economic Development	2,842,675		2,842,675
Public Safety	201,273		201,273
Committed for Capital			-
Development		6,637,663	6,637,663
Assigned for Subsequent Expenditures	488,465		488,465
Unassigned	<u>(213,037)</u>		<u>(213,037)</u>
Total Fund Balances	<u>3,319,376</u>	<u>6,637,663</u>	<u>9,957,039</u>
Total Liabilities and fund balances	<u>\$ 3,689,651</u>	<u>\$ 9,566,031</u>	<u>\$ 13,255,682</u>

CITY OF BURLINGTON, NORTH CAROLINA
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For The Fiscal Year Ended June 30, 2020

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Totals
Revenues:			
Ad Valorem taxes	\$ 150,127	\$ -	\$ 150,127
Unrestricted			
intergovernmental	151,236	-	151,236
Restricted intergovernmental	1,198,597	1,011,350	2,209,947
Sales and services	36,555	-	36,555
Investment earnings	76	64,473	64,549
Miscellaneous	23,684	-	23,684
	<u>1,560,275</u>	<u>1,075,823</u>	<u>2,636,098</u>
Expenditures:			
Current:			
Public Safety	821,121		821,121
Cultural and recreation	174,520		174,520
Economic and physical development	957,629		957,629
Capital Outlay		5,670,227	5,670,227
	<u>1,953,270</u>	<u>5,670,227</u>	<u>7,623,497</u>
Revenue Over (Under)			
Expenditures	<u>(392,995)</u>	<u>(4,594,404)</u>	<u>(4,987,399)</u>
Other Financing Sources (Uses):			
Transfer from other funds	99,519	5,924,000	6,023,519
Transfer to other funds		(900,000)	(900,000)
	<u>99,519</u>	<u>5,024,000</u>	<u>5,123,519</u>
Net change in fund balances	<u>(293,476)</u>	<u>429,596</u>	<u>136,120</u>
Fund balance, beginning	<u>3,612,852</u>	<u>6,208,037</u>	<u>9,820,889</u>
Fund balance, ending	<u>\$ 3,319,376</u>	<u>\$ 6,637,633</u>	<u>\$ 9,957,009</u>



SPECIAL REVENUE FUNDS
Combining Schedules
and
Individual Fund Schedules

CITY OF BURLINGTON, NORTH CAROLINA
 ALL SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 For The Fiscal Year Ended June 30, 2020

	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
<u>ASSETS</u>							
Cash and cash equivalents	\$ 14,778	\$ 396,304	\$ 235,807	\$ -	\$ 52,959	\$ 222,872	\$ 68,941
Receivables (net):							
Taxes				61,660			
Accounts		33,213					
Housing Rehabilitation loans		1,394,491	326,786				
Home Incentive loans		32,000					
Due from other funds							
Total Assets	<u>\$ 14,778</u>	<u>\$ 1,856,008</u>	<u>\$ 562,593</u>	<u>\$ 61,660</u>	<u>\$ 52,959</u>	<u>\$ 222,872</u>	<u>\$ 68,941</u>
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 11,188		\$ 10,635		\$ 3,492	\$ 3,966	
Due to other funds							
Deferred Revenue				61,660			
Total Liabilities	<u>11,188</u>	<u>-</u>	<u>10,635</u>	<u>61,660</u>	<u>3,492</u>	<u>3,966</u>	<u>-</u>
Fund Balances							
Restricted							
Stabilization by State Statute							
Economic Development		1,573,816	459,158		49,467		
Public Safety						132,332	68,941
Assigned							
Subsequent Years Expenditures	3,590	282,192	92,800			86,574	
Unassigned							
Total fund balances	<u>3,590</u>	<u>1,856,008</u>	<u>551,958</u>	<u>-</u>	<u>49,467</u>	<u>218,906</u>	<u>68,941</u>
Total Liabilities and Fund balances	<u>\$ 14,778</u>	<u>\$ 1,856,008</u>	<u>\$ 562,593</u>	<u>\$ 61,660</u>	<u>\$ 52,959</u>	<u>\$ 222,872</u>	<u>\$ 68,941</u>

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	Old City Solid Waste Landfill Fund	Governor's Crime Commission YDDP Fund	Totals
\$ -	\$ 25,810	\$ 713,114	\$ 212	\$ -	\$ -	\$ -	\$ 1,730,797
36,139		74,565					61,660
							143,917
							1,721,277
							32,000
							-
<u>\$ 36,139</u>	<u>\$ 25,810</u>	<u>\$ 787,679</u>	<u>\$ 212</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,689,651</u>
\$ 36,139	\$ 2,501	\$ 27,657	\$ -	\$ 162,994	\$ 50,043	\$ -	\$ 308,615
							-
							61,660
<u>36,139</u>	<u>2,501</u>	<u>27,657</u>	<u>-</u>	<u>162,994</u>	<u>50,043</u>	<u>-</u>	<u>370,275</u>
							-
		760,022	212				2,842,675
							201,273
							-
	23,309						488,465
				(162,994)	(50,043)		(213,037)
							-
	23,309	760,022	212	(162,994)	(50,043)	-	3,319,376
							-
<u>\$ 36,139</u>	<u>\$ 25,810</u>	<u>\$ 787,679</u>	<u>\$ 212</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,689,651</u>

CITY OF BURLINGTON, NORTH CAROLINA
 ALL SPECIAL REVENUE FUNDS
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Fiscal Year Ended June 30, 2020

	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	\$ -	\$ -	\$ -	\$ 150,127	\$ -	\$ -	\$ -
Unrestricted							
intergovernmental	-	-	-	-	-	-	-
Restricted							
intergovernmental	446,210	-	-	-	151,199	102,636	63,785
Sales and services	-	-	-	-	-	-	-
Investment earnings	-	76	-	-	-	-	-
Miscellaneous	-	15,143	8,541	-	-	-	-
Total Revenues	446,210	15,219	8,541	150,127	151,199	102,636	63,785
Expenditures:							
Current:							
Public Safety	-	-	-	-	84,418	319,461	47,970
Cultural and recreation	-	-	-	-	-	-	-
Economic and physical development	421,833	(6,529)	66,354	150,127	-	-	-
Total Expenditures	421,833	(6,529)	66,354	150,127	84,418	319,461	47,970
Revenue Over (Under) Expenditures	24,377	21,748	(57,813)	-	66,781	(216,825)	15,815
Other Financing Sources (Uses):							
Transfer from other funds	-	-	-	-	-	-	-
Transfer to other funds	-	-	-	-	-	-	-
Transfer to component unit	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-
Net change in fund balances	24,377	21,748	(57,813)	-	66,781	(216,825)	15,815
Fund balance, beginning	(20,787)	1,834,260	609,771	-	(17,314)	435,731	53,126
Fund balance, ending	\$ 3,590	\$ 1,856,008	\$ 551,958	\$ -	\$ 49,467	\$ 218,906	\$ 68,941

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	Old City Solid Waste Lanfill Fund	Governor's Crime Commission YDDP Fund	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,127
137,965	13,271	-	-	-	-	-	151,236
-	-	249,685	-	185,082	-	-	1,198,597
36,555	-	-	-	-	-	-	36,555
-	-	-	-	-	-	-	76
-	-	-	-	-	-	-	23,684
174,520	13,271	249,685	-	185,082	-	-	1,560,275
-	44,409	-	-	324,863	-	-	821,121
174,520	-	-	-	-	-	-	174,520
-	-	275,801	-	-	50,043	-	957,629
174,520	44,409	275,801	-	324,863	50,043	-	1,953,270
-	(31,138)	(26,116)	-	(139,781)	(50,043)	-	(392,995)
-	-	99,519	-	-	-	-	99,519
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	99,519	-	-	-	-	99,519
-	(31,138)	73,403	-	(139,781)	(50,043)	-	(293,476)
-	54,447	686,619	212	(23,213)	-	-	3,612,852
\$ -	\$ 23,309	\$ 760,022	\$ 212	\$ (162,994)	\$ (50,043)	\$ -	\$ 3,319,376

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, 2020

	Total Authorized Revenues	Actual			Variance Positive (Negative)
		Reported In Prior Years	Current Year	Total To Date	
Revenues:					
Restricted					
Intergovernmental:					
Federal Grants-					
Program Year:					
2020-CV Alloc	\$ 277,455	\$ -			(277,455)
2020	465,963	-	123,308	123,308	(342,655)
2019	458,622	30,779	149,318	180,097	(278,525)
2018	399,942	334,704	7,561	342,265	(57,677)
2017	402,011	334,408	31,363	365,771	(36,240)
2016	419,950	411,522	6,147	417,669	(2,281)
2015	412,593	149,568	128,513	278,081	(134,512)
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	<u>7,931,112</u>	<u>6,473,003</u>	<u>446,210</u>	<u>6,919,213</u>	<u>(1,011,899)</u>
Miscellaneous Revenues:					
Urban renewal land sales and related income	-	145,641	-	145,641	145,641
Sale of property:					
2007	-	200	-	200	200
2004	-	200	-	200	200
1997	-	14,083	-	14,083	14,083
Program income - 1995	-	522	-	522	522
Total Miscellaneous Revenues	<u>-</u>	<u>160,646</u>	<u>-</u>	<u>160,646</u>	<u>160,646</u>
Total Revenues	<u>7,931,112</u>	<u>6,633,649</u>	<u>446,210</u>	<u>7,079,859</u>	<u>(851,253)</u>

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2020

	Total Authorized Costs	Actual		Variance Positive (Negative)	
		Reported In Prior Years	Current Year		Total To Date
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 St 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	
Const 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, Improvements:					
Glen Raven Project	340,000	340,000		340,000	
Provision of Public Services:					
North Park Library	12,000	12,000		12,000	
Const 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
For The Fiscal Year Ended June 30, 2020

	Total Authorized Costs	Actual		Variance Positive (Negative)
		Reported In Prior Years	Current Year	
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
Const Training Program Administration	65,000	65,000		65,000
	<u>67,281</u>	<u>67,281</u>		<u>67,281</u>
Total Program Year 2006	<u>459,669</u>	<u>459,669</u>	<u>-</u>	<u>459,669</u>
Program Year 2007:				
Public Works Facilities, Site Improvements:				
Glen Raven Project	47,594	47,594		47,594
Church Street Sidewalk Street Improvements (Jackson/Peace)	48,038	48,038		48,038
Storm Sewer Replacement	9,241	9,241		9,241
Provision of Public Services:	30,469	30,469		30,469
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
Const Training Program Administration	65,000	65,000		65,000
	<u>49,642</u>	<u>49,642</u>		<u>49,642</u>
Total Program Year 2007	<u>374,661</u>	<u>374,661</u>	<u>-</u>	<u>374,661</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2020

	Total Authorized Costs	Actual		Variance Positive (Negative)
		Reported In Prior Years	Current Year	
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 Recreation Facility Improvements	12,000	12,000		12,000
Hall Avenue Facility Improvements	82,676	82,676		82,676
Const Training Program Administration	97,286	97,286		97,286
	65,000	65,000		65,000
	54,977	54,976		54,976
				1
Total Program Year 2008	402,099	402,098	-	402,098
				1
Program Year 2009:				
Public Works Facilities, Site Improvements:				
Sidewalk Improvements	125,747	125,748		125,748
Provision of Public Services:				
North Park Library Fairchild Park Improvements	12,000	12,000		12,000
Const Training Program Administration	127,444	127,444		127,444
	65,000	65,000		65,000
	97,650	97,652		97,652
				(2)
Total Program Year 2009	427,841	427,844	-	427,844
				(3)

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
For The Fiscal Year Ended June 30, 2020

	Total Authorized Costs	Actual		Total To Date	Variance Positive (Negative)
		Reported In Prior Years	Current Year		
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	
Const Training Program	65,000	65,000		65,000	
Administration	70,691	70,693		70,693	(2)
Total Program Year 2010	371,065	371,067	-	371,067	(2)

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
For The Fiscal Year Ended June 30, 2020

	Total Authorized Costs	Actual		Total To Date	Variance Positive (Negative)
		Reported In Prior Years	Current Year		
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
Const Training Program	65,000	65,000		65,000	
Administration	57,694	57,695		57,695	(1)
Total Program Year 2011	<u>476,766</u>	<u>476,766</u>	<u>-</u>	<u>476,766</u>	<u>-</u>

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CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2020

	Total Authorized Costs	Actual		Total To Date	Variance Positive (Negative)
		Reported In Prior Years	Current Year		
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 Proj	63,090	63,090		63,090	
North Park Lighting Upgrade	21,130	21,130		21,130	
Family Abuse Services Upgrade	7,776	7,776		7,776	
Allied Churches Facility Upgrades	98,289	98,289		98,289	
Const Training Program	65,000	65,000		65,000	
Administration	54,339	54,340		54,340	(1)
Total Program Year 2012	547,679	547,680	-	547,680	(1)

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
For The Fiscal Year Ended June 30, 2020

	Total Authorized Costs	Actual		Total To Date	Variance Positive (Negative)
		Reported In Prior Years	Current Year		
Expenditures (continued):					
Economic and Physical Development (continued):					
Program Year 2013:					
Public Works Facilities, Site Improvements:					
Ireland St Sidewalk Proj	114,835	114,835		114,835	
Provision of Public Services:					
North Park Library	10,000	10,000		10,000	
North Park Upgrades Relocation	2,830	2,830		2,830	
RTS Hall Avenue Upgrade	1,250	1,250		1,250	
Fairchild Prk Youth Prog	51,430	51,430		51,430	
Fairchild Soccer Prk Paving	56,055	56,055		56,055	
Fairchild Generator Proj	17,838	17,839		17,839	(1)
FAS Emerg 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					
Const Training Program	65,000	65,000		65,000	
Administration	54,339	54,339		54,339	
Total Program Year 2013	440,920	440,921	-	440,921	(1)

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
For The Fiscal Year Ended June 30, 2020

	Total Authorized Costs	Actual		Total To Date	Variance Positive (Negative)
		Reported In Prior Years	Current Year		
Expenditures (continued):					
Economic and Physical Development (continued):					
Program Year 2014:					
Public Works Facilities, Site Improvements:					
Mebane St Sidewalk Proj	143,089	143,522		143,522	(433)
Mebane St Crosswalk Proj	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	71,800	65,168		65,168	6,632
Const Training Program	65,000	65,000		65,000	
Burl Development Corp Administration	4,990	4,990		4,990	
	55,000	54,408		54,408	592
Total Program Year 2014	421,855	415,064	-	415,064	6,791

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
For The Fiscal Year Ended June 30, 2020

	Total Authorized Costs	Actual		Total To Date	Variance Positive (Negative)
		Reported In Prior Years	Current Year		
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 Proj					
Provision of Public Services:					
North Park Library	24,137	19,485	726	20,211	3,926
RTS Hall Avenue Upgrade		11,081		11,081	(11,081)
Family Abuse Serv Upgrade	25,000				25,000
North Park Gym Upgrades	108,860	113,460		113,460	(4,600)
Allied Churches Upgrade	67,350	78,478		78,478	(11,128)
Relocation	7,000	7,000		7,000	
Const Training Program	65,000	65,000		65,000	
Burl Development Corp	32,653	37,540	(3,696)	33,844	(1,191)
Ralph Scott Life Upgrades	28,505		17,718	17,718	10,787
Youth Ctr City Gate Dream Ct	12,750	9,054	3,696	12,750	
Exchange Club Family Ctr	7,000	7,000		7,000	
Dream Center Building Upgrade			14,469	14,469	(14,469)
Rehab Loan			624	624	(624)
Administration	68,093	58,252		58,252	9,841
Total Program					
Year 2015	519,265	431,799	33,537	465,336	53,929

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
For The Fiscal Year Ended June 30, 2020

	Total Authorized Costs	Actual		Total To Date	Variance Positive (Negative)
		Reported In Prior Years	Current Year		
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	
Const Training Program	65,000	65,000		65,000	
Burl Development Corp	23,843	23,777		23,777	66
Ralph Scott Life Upgrades		4,675		4,675	(4,675)
Administration	47,112	43,896	1,678	45,574	1,538
Total Program Year 2016	445,000	446,384	1,678	448,062	(3,062)

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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
For The Fiscal Year Ended June 30, 2020

	Total Authorized Costs	Actual		Total To Date	Variance Positive (Negative)
		Reported In Prior Years	Current Year		
Expenditures (continued):					
Economic and Physical Development (continued):					
Program Year 2017:					
Public Works Facilities, Site Improvements:					
Provision of Public Services:					
Allied Ch Coordinated Assess	15,000	15,000		15,000	
Allied Churches Upgrade	15,000	15,000		15,000	
Burl Development Corp	25,209	25,209		25,209	
Const Training Program	65,000	65,000		65,000	
North Park Library Relocation	10,000 2,000	10,000 2,000		10,000 2,000	
RTS Upgrades	18,200	18,200		18,200	
Family Abuse Serv Upgrade	31,935	31,935		31,935	
Richmond Hill	35,870	35,870		35,870	
Ralph Scott Life Upgrds	54,390	54,390		54,390	
Thataways Upgrades	37,000	37,000		37,000	
Administration	47,112	20,544	25,779	46,323	789
Total Program Year 2017	356,716	330,148	25,779	355,927	789

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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
For The Fiscal Year Ended June 30, 2020

	Total Authorized Costs	Actual		Total To Date	Variance Positive (Negative)
		Reported In Prior Years	Current Year		
Expenditures (continued):					
Economic and Physical Development (continued):					
Program Year 2018:					
Public Works Facilities, Site Improvements:					
Infrastructure-N Church Sdwlk	63,543	63,544		63,544	(1)
Provision of Public Services:					
Allied Churches Upgrade	63,876				63,876
Burl Development Corp	36,000	36,000		36,000	
Const Training Program	26,740	26,740		26,740	
North Park Library	10,000	9,983		9,983	17
North Park Upgrades	120,000	132,001		132,001	(12,001)
Relocation	2,000	2,000		2,000	
Ralph Scott Life Upgrds	52,000	52,000		52,000	
Administration	52,000	44,580	7,562	52,142	(142)
Total Program Year 2018	426,159	366,848	7,562	374,410	51,749

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
For The Fiscal Year Ended June 30, 2020

	Total Authorized Costs	Actual		Total To Date	Variance Positive (Negative)
		Reported In Prior Years	Current Year		
Expenditures (continued):					
Economic and Physical Development (continued):					
Program Year 2019:					
Public Works Facilities, Site Improvements:					
Infrastructure-N Church Sdwlk Clay Ct/Clay St Paving	90,643	1,950	71,443	73,393	17,250
Sharpe Rd Pedestrian Crossin	107,642				107,642
Haw River Grnway-Stone Quz	642				642
Provision of Public Services:					
Allied Churches Upgrade	2,290	2,290		2,290	
Burl Development Corp	2,290	8,338		8,338	(6,048)
Const Training Program				-	-
North Park Library	2,290	2,290	557	2,847	(557)
North Park Upgrades	136,642				136,642
Relocation					
Ralph Scott Life Upgrds	642		11,429	11,429	(10,787)
Family Abuse Serv Upgrade	642				642
RTS Upgrades	2,932	2,932		2,932	
Youth Ctr CityGate Dream Ct	2,290	1,607	(557)	1,050	1,240
Exchange Club Family Center	2,290	2,175		2,175	115
Dream Center Building Upgra	44,441	1,240	52,441	53,681	(9,240)
CP Restrooms-Ovbrk Amphitl	642		53,548	53,548	(52,906)
Rehab Loan	25,000		12,000	12,000	13,000
Administration	37,304	24,246	11,067	35,313	1,991
Total Program Year 2019	458,622	47,068	211,928	258,996	199,626

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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
For The Fiscal Year Ended June 30, 2020

	Total Authorized Costs	Actual		Total To Date	Variance Positive (Negative)
		Reported In Prior Years	Current Year		
Expenditures (continued):					
Economic and Physical Development (continued):					
Program Year 2020:					
Public Works Facilities, Site Improvements:					
Vaughn St Sidewalk	111,468				111,468
Provision of Public Services:					
Allied Churches Upgrade	25,000		22,917	22,917	2,083
Burl Development Corp	13,833		6,439	6,439	7,394
North Park Library	10,000		9,999	9,999	1
North Park Dev Ph2B	110,330				110,330
Relocation	5,000		479	479	4,521
Ralph Scott Life Upgrds	32,585				32,585
Residential Treatment Svcs	13,833		13,833	13,833	
Youth Ctr CityGate Dream Ct	13,334		13,334	13,334	
Exchange Club Family Center	9,000		7,631	7,631	1,369
Dream Ctr Building Upgrade	55,000		10,400	10,400	44,600
Creative Dir Workforce Devl Rehab Loan					
Administration	365,504		56,317	56,317	309,187
Total Program Year 2020	764,887	-	141,349	141,349	623,538

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
For The Fiscal Year Ended June 30, 2020

	Total Authorized Costs	Actual		Total To Date	Variance Positive (Negative)
		Reported In Prior Years	Current Year		
Expenditures (continued): Economic and Physical Development (continued):					
Total Expenditures	<u>7,931,112</u>	<u>6,531,157</u>	<u>421,833</u>	<u>6,952,990</u>	<u>978,122</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>102,492</u>	<u>24,377</u>	<u>126,869</u>	<u>126,869</u>
Other Financing Sources (Uses): Transfer from (to) other funds:					
Mebane St./ St. John Culvert Rehabilitation	(117,450) 215,999	(117,446) -	- -	(117,446) -	4 (215,999)
Total Other Financing (Uses)	<u>98,549</u>	<u>(117,446)</u>	<u>-</u>	<u>(117,446)</u>	<u>(215,995)</u>
Revenues and Other Sources Over (Under) Expenditures And Other Uses	<u>\$ 98,549</u>	<u>\$ (14,954)</u>	<u>\$ 24,377</u>	<u>\$ 9,423</u>	<u>\$ 107,972</u>
Fund balance, appropriated					
Net change in fund balance	<u>\$ -</u>				
Fund balance, beginning		<u>(20,787)</u>			
Fund balance, ending		<u>\$ 3,590</u>			

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - REHABILITATION LOAN PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Investment earnings	\$	\$ 76	\$
Miscellaneous:			
Interest on loans		<u>15,143</u>	
Total Revenues		<u>15,219</u>	<u>15,219</u>
Expenditures:			
Economic and Physical Development:			
Operating Expenditures		11	
Provision for bad debts		<u>(6,540)</u>	
Total Expenditures	<u>75,000</u>	<u>(6,529)</u>	<u>81,529</u>
Revenues Over (Under) Expenditures	<u>(75,000)</u>	<u>21,748</u>	<u>\$ 96,748</u>
Fund balance appropriated	75,000		
Net change in fund balance	<u>\$ -</u>		
Fund balance, beginning		<u>1,834,260</u>	
Fund balance, ending		<u>\$ 1,856,008</u>	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - RENTAL REHABILITATION LOAN PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Investment earnings	\$		\$
Miscellaneous:			
Interest on loans		8,541	
Miscellaneous income			
Total Revenues		<u>8,541</u>	<u>8,541</u>
Expenditures:			
Economic and Physical Development:			
Personnel Services		7,800	
Housing Repair		58,903	
Provision for bad debts		(349)	
Total Expenditures	<u>94,000</u>	<u>66,354</u>	<u>27,646</u>
Revenues Over (Under) Expenditures	<u>(94,000)</u>	<u>(57,813)</u>	<u>36,187</u>
Other Financing Sources (Uses):			
Transfers to other fund:			
Home Program Project	<u>(33,769)</u>		<u>(33,769)</u>
Total Other Financing Sources (Uses)	<u>(33,769)</u>	<u>-</u>	<u>(33,769)</u>
Revenues (Under) Expenditures and Other Uses	<u>(127,769)</u>	<u>(57,813)</u>	<u>\$ 2,418</u>
Fund balance appropriated	127,769		
Net change in fund balance	<u>\$ -</u>		
Fund balance, beginning		<u>609,771</u>	
Fund balance, ending		<u>\$ 551,958</u>	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - DOWNTOWN SPECIAL TAX DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem Taxes:			
Taxes	\$	\$ 150,698	\$
Tax discounts		(571)	
Total	<u>115,000</u>	<u>150,127</u>	<u>35,127</u>
Sales and Service:			
Parade Holiday Events			
Farmers Market			
Promotional Sales			
Total	<u>160,000</u>	<u>-</u>	<u>(160,000)</u>
Total Revenues	<u>275,000</u>	<u>150,127</u>	<u>(124,873)</u>
Expenditures:			
Economic and Physical Development:			
Salaries and employee benefits			
Operating expenditures		150,127	
Equipment			
Total Expenditures	<u>275,000</u>	<u>150,127</u>	<u>124,873</u>
Revenues Over (Under) Expenditures	-	-	<u>\$ -</u>
Other Financing Sources (Uses):			
Transfers from other funds:			
Energy Efficiency Upgrade Mainstr	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues (Under) Expenditures and Other Uses	0	-	<u>\$ -</u>
Fund balance appropriated	<u>-</u>		
Net change in fund balance	<u>\$ -</u>		
Fund balance, beginning		<u>-</u>	
Fund balance, ending		<u>\$ -</u>	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - HOME PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2020

	Total Authorized Cost	Actual		Total To Date	Variance Positive (Negative)
		Reported In Prior Years	Current Year		
Revenues:					
Restricted					
Intergovernmental:					
Federal Grant	\$ 5,547,335	\$ 4,651,532	\$ 2,325	\$ 4,653,857	\$ (893,478)
Federal Grant-Count	2,455,257	1,963,632	39,668	2,003,300	(451,957)
State Grant		2,667		2,667	2,667
Local Funds	36,465	6,481		6,481	(29,984)
Total	8,039,057	6,624,312	41,993	6,666,305	(1,372,752)
Miscellaneous:					
Program Income	1,796,092	979,910	206,817	1,186,727	(609,365)
Miscellaneous Income		25		25	25
Total	1,796,092	979,935	206,817	1,186,752	(609,340)
Total Revenues	9,835,149	7,604,247	248,810	7,853,057	(1,982,092)
Expenditures:					
Economic and Physical Development:					
Administrative	556,362	421,326	4,313	425,639	130,723
Homebuyer Assistance	166,167	53,353		53,353	112,814
CHDO project assistance	1,206,865	1,019,969		1,019,969	186,896
Rehabilitation -owner	7,883,762	2,933,074		2,933,074	4,950,688
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	1,105,000	418,685	1,520	420,205	684,795
Provision for bad debts	-	321,049	1,088	322,137	(322,137)
Total Expenditures	11,333,687	5,385,179	6,921	5,392,100	5,941,587
Revenues Over (Under) Expenditures	(1,498,538)	2,219,068	241,889	2,460,957	3,959,495

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - HOME PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2020

	Total Authorized Cost	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Other Financing Sources:					
Transfers from other funds:					
HOME Investment Partnership Project Fund		450,726		450,726	450,726
Rental Rehabilitation Loan Program	835,350	800,360		800,360	(34,990)
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	835,350	1,627,438	-	1,627,438	792,088
Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (663,188)	\$ 3,846,506	241,889	\$ 4,088,395	\$ 4,751,583
Fund balance, beginning	663,188		3,846,506		
Fund balance, ending	\$ -		\$ 4,088,395		

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
For The Fiscal Year Ended June 30, 2020

	Total Authorized Cost	Actual			Variance Positive (Negative)
		Reported In Prior Years	Current Year	Total To Date	
Revenues:					
Restricted					
Intergovernmental:					
State Grant	\$ 268,493	\$ 173,248	\$ 151,199	\$ 324,447	\$ 55,954
Total Revenues	<u>268,493</u>	<u>173,248</u>	<u>151,199</u>	<u>324,447</u>	<u>55,954</u>
Expenditures:					
Public Safety:					
Salaries and Employee Benefits	246,712	220,551	83,303	303,854	(57,142)
Operating Expenditures	87,882	27,284	1,115	28,399	59,483
Equipment	8,000	16,829	-	16,829	(8,829)
Total Expenditures	<u>342,594</u>	<u>264,664</u>	<u>84,418</u>	<u>349,082</u>	<u>(6,488)</u>
Revenues Over (Under) Expenditures	<u>(74,101)</u>	<u>(91,416)</u>	<u>66,781</u>	<u>(24,635)</u>	<u>49,466</u>
Other Financing Sources:					
Transfers from other funds:					
General Fund	74,101	74,101	-	74,101	-
Total Other Financing Sources	<u>74,101</u>	<u>74,101</u>	<u>-</u>	<u>74,101</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (17,315)</u>	66,781	<u>\$ 49,466</u>	<u>\$ 49,466</u>
Fund balance, beginning			<u>(17,314)</u>		
Fund balance, ending			<u>\$ 49,467</u>		

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - RICO FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted Intergovernmental:			
RICO funds	\$	\$ 102,636	\$ -
Dept. of Treasury			
Investment Earnings			
Total Revenues	<u>-</u>	<u>102,636</u>	<u>102,636</u>
Expenditures:			
Public Safety:			
RICO funds		<u>319,461</u>	<u>(319,461)</u>
Total Expenditures	<u>366,940</u>	<u>319,461</u>	<u>47,479</u>
Revenues Over (Under) Expenditures	<u>(366,940)</u>	<u>(216,825)</u>	<u>\$ 150,115</u>
Fund balance appropriated	366,940		
Net change in fund balance	<u>\$ -</u>		
Fund balance, beginning		<u>435,731</u>	
Fund balance, ending		<u>\$ 218,906</u>	

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
For The Fiscal Year Ended June 30, 2020

	Total Authorized Cost	Actual		Total To Date	Variance Positive (Negative)
		Reported In Prior Years	Current Year		
Revenues:					
Restricted					
Intergovernmental:					
State Grant	\$ 1,088,518	\$ 944,235	\$ 63,785	\$ 1,008,020	\$ (80,498)
Total Revenues	<u>1,088,518</u>	<u>944,235</u>	<u>63,785</u>	<u>1,008,020</u>	<u>(80,498)</u>
Expenditures:					
Public Safety:					
Equipment	388,164	\$ 270,857	18,095	288,952	99,212
Operating Expenditures	<u>791,931</u>	<u>\$ 679,209</u>	<u>29,875</u>	<u>709,084</u>	<u>82,847</u>
Total Expenditures	<u>1,180,095</u>	<u>950,066</u>	<u>47,970</u>	<u>998,036</u>	<u>182,059</u>
Revenues Over (Under) Expenditures	<u>(91,577)</u>	<u>(5,831)</u>	<u>15,815</u>	<u>9,984</u>	<u>101,561</u>
Other Financing Sources:					
Transfers from other funds:					
RICO Fund	<u>58,957</u>	<u>58,957</u>	<u>-</u>	<u>58,957</u>	<u>-</u>
Total Other Financing Sources	<u>58,957</u>	<u>58,957</u>	<u>-</u>	<u>58,957</u>	<u>-</u>
Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ (32,620)</u>	<u>\$ 53,126</u>	15,815	<u>\$ 68,941</u>	<u>\$ 101,561</u>
Fund balance appropriated	<u>32,620</u>				
Net change in fund balance	<u>\$ -</u>				
Fund balance, beginning			<u>53,126</u>		
Fund balance, ending			<u>\$ 68,941</u>		

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - GUILFORD MACKINTOSH FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Unrestricted Intergovernmental:			
Guilford County Reimbursement	\$	\$ 137,965	\$
Total	<u>149,600</u>	<u>137,965</u>	<u>(11,635)</u>
Sales and Service:			
Boat rentals		13,192	
Fishing fees		7,307	
Boat launch fees		11,534	
Concession sales		1,882	
Shelter rentals		2,640	
House rentals		-	
Total	<u>40,000</u>	<u>36,555</u>	<u>(3,445)</u>
Total Revenues	<u>189,600</u>	<u>174,520</u>	<u>(15,080)</u>
Expenditures:			
Cultural and Recreation:			
Salaries and employee benefits		145,897	
Operating expenditures		28,623	
Total Expenditures	<u>189,600</u>	<u>174,520</u>	<u>15,080</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning		<u> </u>	
Fund balance, ending		<u>\$ -</u>	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - CONTROLLED SUBSTANCE TAX REFUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Unrestricted Intergovernmental:			
Controlled substance funds	\$	\$ 13,271	\$
Total Revenues	-	13,271	13,271
Expenditures:			
Public Safety:			
Salaries and Employee			
Benefits		44,409	
Operating expenditures		-	
Total Expenditures	55,460	44,409	11,051
Revenues Over (Under) Expenditures	\$ (55,460)	\$ (31,138)	\$ 24,322
Fund balance appropriated	55,460		
Net change in fund balance	\$ -		
Fund balance, beginning		54,447	
Fund balance, ending		\$ 23,309	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - MPO PLANNING TRANSPORTATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Restricted Intergovernmental:			
State Grant	\$	\$ 249,685	\$
Bike/Pedes Trans Plan Fee			
Interest			
	<u>410,576</u>	<u>249,685</u>	<u>(160,891)</u>
Total Revenues			
Expenditures:			
Economic and Physical Development:			
Salaries and Employee Benefits		160,012	
Operating expenditures		115,789	
Special projects		-	
	<u>613,045</u>	<u>275,801</u>	<u>337,244</u>
Total Expenditures			
Revenues Over (Under) Expenditures	<u>(202,469)</u>	<u>(26,116)</u>	<u>176,353</u>
Other Financing Sources:			
Transfer from other funds:			
General Fund	<u>99,519</u>	<u>99,519</u>	<u>-</u>
Total Other Financing Sources	<u>99,519</u>	<u>99,519</u>	<u>-</u>
Revenues and Other Sources (Under) Expenditures	(102,950)	73,403	<u>\$ 176,353</u>
Fund balance, appropriated	<u>102,950</u>		
Net change in fund balance	<u>\$ -</u>		
Fund balance, beginning		<u>686,619</u>	
Fund balance, ending		<u>\$ 760,022</u>	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - MEDICARE PART D GRANT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2020

	Project Authorization	Actual		Total To Date	Variance Positive (Negative)
		Reported In Prior Years	Current Year		
Revenues:					
State Grant	\$ 48,100	\$ 48,100		\$ 48,100	\$ -
Total Revenues	48,100	48,100	-	48,100	-
Expenditures:					
Operating expenditures	58,898	47,888		47,888	11,010
Total Expenditures	58,898	47,888	-	47,888	11,010
Revenues Over (Under) Expenditures	\$ (10,798)	\$ 212	-	\$ 212	\$ 11,010
Fund balance, appropriated	10,798				
Net change in fund balance	\$ -				
Fund balance, beginning			212		
Fund balance, ending			\$ 212		

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - BUREAU OF JUST ASST COMM ORIENTED POLICING GRANT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2020

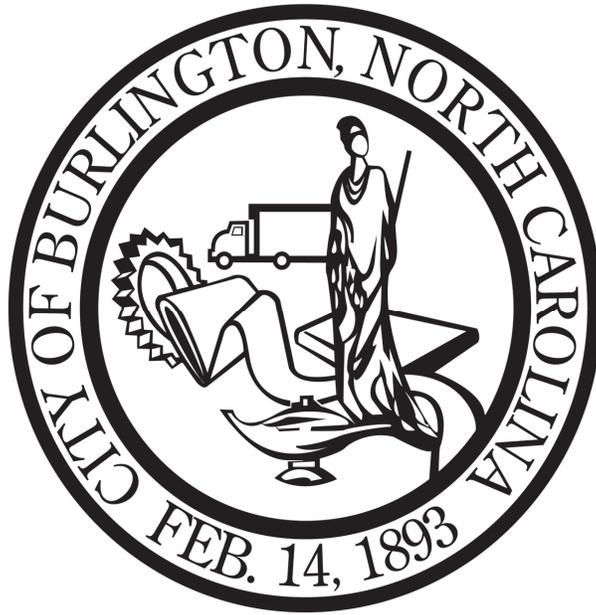
	Total Authorized Cost	Actual		Total To Date	Variance Positive (Negative)
		Reported In Prior Years	Current Year		
Revenues:					
Restricted					
Intergovernmental:					
State Grant	\$ 1,592,823	\$ 1,346,617	\$ 185,082	\$ 1,531,699	\$ (61,124)
Total Revenues	<u>1,592,823</u>	<u>1,346,617</u>	<u>185,082</u>	<u>1,531,699</u>	<u>(61,124)</u>
Expenditures:					
Public Safety:					
Salaries and Employee Benefits	1,971,132	1,747,936	324,863	2,072,799	(101,667)
Total Expenditures	<u>1,971,132</u>	<u>1,747,936</u>	<u>324,863</u>	<u>2,072,799</u>	<u>(101,667)</u>
Revenues Over (Under) Expenditures	\$ (378,309)	\$ (401,319)	\$ (139,781)	\$ (541,100)	\$ (162,791)
Other Financing Sources:					
Transfers from other funds:					
General Fund	378,309	378,106		378,106	(203)
Total Other Financing Sources	<u>378,309</u>	<u>378,106</u>	<u>-</u>	<u>378,106</u>	<u>(203)</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u></u>	<u>(23,213)</u>	(139,781)	<u>(162,994)</u>	<u>(162,994)</u>
Fund balance, beginning			<u>(23,213)</u>		
Fund balance, ending			<u>\$ (162,994)</u>		

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - OLD CITY SOLID WASTE LANDFILL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2020

	Project Authorization	Actual			Variance Positive (Negative)
		Reported In Prior Years	Current Year	Total To Date	
Revenues:					
Restricted					
Intergovernmental:					
State Grant	\$ 59,154			\$ -	\$ (59,154)
Total Revenues	59,154	-	-	-	(59,154)
Expenditures:					
Economic and Physical Development Professional Services	59,154		50,043	50,043	9,111
Total Expenditures	59,154	-	50,043	50,043	9,111
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ (50,043)	\$ (50,043)	\$ (50,043)
Fund balance, appropriated	-				
Net change in fund balance	\$ -				
Fund balance, beginning			-		
Fund balance, ending			\$ (50,043)		

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - GOVERNOR'S CRIME COMM YOUTH DIV/DEF PROG
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2020

	Project Authorization	Actual			Variance Positive (Negative)
		Reported In Prior Years	Current Year	Total To Date	
Revenues:					
Restricted					
Intergovernmental:					
State Grant	\$ 399,878			\$ -	\$ (399,878)
Total Revenues	<u>399,878</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(399,878)</u>
Expenditures:					
Public Safety				-	-
Salaries and					
Employee Benefits	136,406				136,406
Operating Expenditures	253,072				253,072
Equipment	10,400				10,400
Total Expenditures	<u>399,878</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>399,878</u>
Revenues Over (Under)					
Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, appropriated	<u>-</u>				
Net change in fund balance	<u><u>\$ -</u></u>				
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u><u>\$ -</u></u>		



CAPITAL PROJECT FUNDS
Combining Schedules
and
Individual Fund Schedules

CITY OF BURLINGTON, NORTH CAROLINA
 ALL CAPITAL PROJECT FUNDS
 COMBINING BALANCE SHEET
 For The Fiscal Year Ended June 30, 2020

	ERP System Project Fund	Trans Sidewalks & Intersections Fund	Animal Shelter Fund	Greenway/ Bikeway Fund	Willowbrook Park Arboretum Fund
<u>ASSETS</u>					
Cash and cash equivalents	\$ 318,888	\$ 4,348,964	\$ -	\$ 265,986	\$ -
Receivables:					
Accounts					
Accrued Interest Receivable		10,516			
Due from other funds					
Total Assets	318,888	4,359,480	-	265,986	-
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 2,526,472	\$ -	\$ 112,989
Deferred Revenue					
Due to other funds					
Total Liabilities			2,526,472		112,989
Fund Balances					
Committed for Capital Improvements	\$ 318,888	\$ 4,359,480	\$ (2,526,472)	\$ 265,986	\$ (112,989)
Unassigned					
Total Fund Balances	318,888	4,359,480	(2,526,472)	265,986	(112,989)
Total Liabilities and Fund Balances	\$ 318,888	\$ 4,359,480	\$ -	\$ 265,986	\$ -

Dentzel Carousel Restoration Fund	North Park Pool Project Fund	Street Resurfacing Project Fund	Totals
\$ 1,155,479	\$ 1,078,815	\$ 2,387,353	\$ 9,555,485
			\$ 10,516
<u>1,155,479</u>	<u>1,078,815</u>	<u>2,387,353</u>	<u>9,566,001</u>
\$ -	\$ 266,554	\$ 22,353	\$ 2,928,368
	<u>266,554</u>	<u>22,353</u>	<u>2,928,368</u>
\$ 1,155,479	\$ 812,261	\$ 2,365,000	6,637,633
<u>1,155,479</u>	<u>812,261</u>	<u>2,365,000</u>	<u>6,637,633</u>
<u>\$ 1,155,479</u>	<u>\$ 1,078,815</u>	<u>\$ 2,387,353</u>	<u>\$ 9,566,001</u>

CITY OF BURLINGTON, NORTH CAROLINA
 ALL CAPITAL PROJECT FUNDS
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For The Fiscal Year Ended June 30, 2020

	ERP System Project Fund	Trans Sidewalks & Intersections Fund	Animal Shelter Fund	Greenway/ Bikeway Fund	Willowbrook Park Arboretum Fund
Revenues:					
Restricted Intergovernmental:	\$ -	\$ 213,000	\$ 750,000	\$ -	\$ 8,350
Investment Earnings	-	64,473			
Total Revenues	<u>-</u>	<u>277,473</u>	<u>750,000</u>	<u>-</u>	<u>8,350</u>
Expenditures:					
Capital Improvements	181,320	491,311	1,072,422	505,150	365,956
Total Expenditures	<u>181,320</u>	<u>491,311</u>	<u>1,072,422</u>	<u>505,150</u>	<u>365,956</u>
Revenues Over (Under) Expenditures	<u>(181,320)</u>	<u>(213,838)</u>	<u>(322,422)</u>	<u>(505,150)</u>	<u>(357,606)</u>
Other Financing Sources:					
Transfers from other funds			81,000	-	-
Transfers (to) other funds	-	(900,000)			
Total Other Financing Sources	<u>-</u>	<u>(900,000)</u>	<u>81,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(181,320)	(1,113,838)	(241,422)	(505,150)	(357,606)
Fund balance, beginning	<u>500,208</u>	<u>5,473,318</u>	<u>(2,285,050)</u>	<u>771,136</u>	<u>244,617</u>
Fund balance, ending	<u>\$ 318,888</u>	<u>\$ 4,359,480</u>	<u>\$ (2,526,472)</u>	<u>\$ 265,986</u>	<u>\$ (112,989)</u>

<u>Dentzel Carousel Restoration Fund</u>	<u>North Park Pool Project Fund</u>	<u>Street Resurfacing Project Fund</u>	<u>Totals</u>
\$ -	\$ 40,000	\$ -	\$ 1,011,350 64,473
<u>-</u>	<u>40,000</u>	<u>-</u>	<u>1,075,823</u>
339,167	2,714,901	-	5,670,227
<u>339,167</u>	<u>2,714,901</u>	<u>-</u>	<u>5,670,227</u>
<u>(339,167)</u>	<u>(2,674,901)</u>	<u>-</u>	<u>(4,594,404)</u>
50,000	3,428,000	2,365,000	5,924,000 (900,000)
<u>50,000</u>	<u>3,428,000</u>	<u>2,365,000</u>	<u>5,024,000</u>
(289,167)	753,099	2,365,000	429,596
<u>1,444,646</u>	<u>59,162</u>	<u>-</u>	<u>6,208,037</u>
<u>\$ 1,155,479</u>	<u>\$ 812,261</u>	<u>\$ 2,365,000</u>	<u>\$ 6,637,633</u>

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND - ERP SYSTEM PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2020

	Project Authorization	Actual			Variance Positive (Negative)
		Reported In Prior Years	Current Year	Total To Date	
Revenues:					
Investment earnings	\$ -	\$ 4,342	\$ -	\$ 4,342	\$ 4,342
Total Revenues	-	4,342	-	4,342	4,342
Expenditures:					
Professional Services	51,000	152,920	5,803	158,723	(107,723)
Travel - Consultants	10,000	34,915	640	35,555	(25,555)
Software	2,403,250	1,443,322	174,877	1,618,199	785,051
Misc - Contractor Fees - 1yr					-
Equipment - Hardware	157,000	448,703		448,703	(291,703)
Other Equipment	221,500	177,498		177,498	44,002
Supplies	-	36,026		36,026	(36,026)
Total Expenditures	2,842,750	2,293,384	181,320	2,474,704	368,046
Revenues Over (Under)					
Expenditures	(2,842,750)	(2,289,042)	(181,320)	(2,470,362)	372,388
Other Financing Sources					
Transfer from other funds					
Capital Reserve	812,650	812,650	-	812,650	-
Water & Sewer	733,100	733,100	-	733,100	-
General Fund	1,243,500	1,243,500	-	1,243,500	-
Total Other Financing Sources	2,789,250	2,789,250	-	2,789,250	-
Revenues and Other Sources Over (Under) Expenditures	\$ (53,500)	\$ 500,208	\$ (181,320)	\$ 318,888	\$ 372,388
Fund Balance, Appropriated	53,500				
Net change in fund balance	\$ -				
Fund balance, beginning			500,208		
Fund balance, ending			\$ 318,888		

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND -TRANS SIDEWALKS & INTERSECTIONS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2020

	Project Authorization	Actual			Variance Positive (Negative)
		In Prior Years	Current Year	Total To Date	
Revenues:					
NCDOT Grant	\$ 377,400	\$ -	\$ 213,000	\$ 213,000	\$ (164,400)
Investment Earnings		9,045	64,473	73,518	73,518
Total Revenues	377,400	9,045	277,473	286,518	(90,882)
Expenditures:					
Transit Ped Improv Proj	2,490,800	364,858	463,699	828,557	1,662,243
Graham Hopedale & Mebane	660,900				660,900
Oneal/Rockwood/Edgew	100,000	21,288		21,288	78,712
Forestdale Widening	301,895	299,222		299,222	2,673
Mebane & Beaumont	75,000	53,254		53,254	21,746
NCDOT Local Match Proj	445,000				445,000
City Ped Improv Proj	430,000		27,612	27,612	402,388
Traffic Sig Upgrd-City's Port Resurfacing /Patching	1,176,700				1,176,700
Total Expenditures	5,680,295	738,622	491,311	1,229,933	4,450,362
Revenues Over (Under) Expenditures	(5,302,895)	(729,577)	(213,838)	(943,415)	4,359,480
Other Financing Sources:					
Transfers from other funds					
General Fund	2,627,700	2,627,700		2,627,700	-
Capital Reserve	1,184,395	1,184,395		1,184,395	-
Transportation Fund	2,390,800	2,390,800		2,390,800	-
Street Resurfacing	(900,000)		(900,000)	(900,000)	-
Total Other Financing Sources	5,302,895	6,202,895	(900,000)	5,302,895	-
Revenues and Other Sources (Over) Under Expenditures	\$ -	\$ 5,473,318	(1,113,838)	4,359,480	4,359,480
Fund Balance, Appropriated	-				
Net change in fund balance	\$ -				
Fund balance, beginning			5,473,318		
Fund balance, ending			\$ 4,359,480		

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, 2020

	Project Authorization	Actual			Variance Positive (Negative)
		In Prior Years	Current Year	Total To Date	
Revenues:					
Donations-Anim Shel Bld Fund	\$ 3,650,000	\$ 1,535	\$ 750,000	\$ 751,535	\$ (2,898,465)
Total Revenues	<u>3,650,000</u>	<u>1,535</u>	<u>750,000</u>	<u>751,535</u>	<u>(2,898,465)</u>
Expenditures:					
Professional Services	480,000	499,344	2,283	501,627	(21,627)
Equip/Const Not Capitalized	30,000	30,000		30,000	-
Buildings	4,495,140	3,112,390	1,070,139	4,182,529	312,611
Capital- Other Improvements	81,000			-	81,000
Contingency	221,660	221,651		221,651	9
Total Expenditures	<u>5,307,800</u>	<u>3,863,385</u>	<u>1,072,422</u>	<u>4,935,807</u>	<u>371,993</u>
Revenues Over (Under) Expenditures	<u>(1,657,800)</u>	<u>(3,861,850)</u>	<u>(322,422)</u>	<u>(4,184,272)</u>	<u>(2,526,472)</u>
Other Financing Sources:					
Transfers from other funds					
Operating Txfr In General Fund	1,657,800	1,576,800	81,000	1,657,800	-
Total Other Financing Sources	<u>1,657,800</u>	<u>1,576,800</u>	<u>81,000</u>	<u>1,657,800</u>	<u>-</u>
Revenues and Other Sources (Over) Under Expenditures	\$ -	<u>\$ (2,285,050)</u>	(241,422)	<u>(2,526,472)</u>	<u>(2,526,472)</u>
Fund Balance, Appropriated	<u>-</u>				
Net change in fund balance	<u>\$ -</u>				
Fund balance, beginning			<u>(2,285,050)</u>		
Fund balance, ending			<u>\$ (2,526,472)</u>		

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, 2020

	Project Authorization	Actual			Variance Positive (Negative)
		In Prior Years	Current Year	Total To Date	
Revenues:					
Donations-Grnwy/Bkwy	\$ 420,000	\$ 420,000	\$ -	\$ 420,000	\$ -
Total Revenues	<u>420,000</u>	<u>420,000</u>	<u>-</u>	<u>420,000</u>	<u>-</u>
Expenditures:					
Front St Greenway/Bikeway	500,000	3,864	499,989	503,853	(3,853)
Ruby Lane Trailhead	50,000			-	50,000
Town & Country Bkwy	<u>225,000</u>		<u>5,161</u>	<u>5,161</u>	<u>219,839</u>
Total Expenditures	<u>775,000</u>	<u>3,864</u>	<u>505,150</u>	<u>509,014</u>	<u>265,986</u>
Revenues Over (Under) Expenditures	<u>(355,000)</u>	<u>416,136</u>	<u>(505,150)</u>	<u>(89,014)</u>	<u>265,986</u>
Other Financing Sources:					
Transfers from other funds					
Operating Txfr In General Fund	<u>355,000</u>	<u>355,000</u>		<u>355,000</u>	<u>-</u>
Total Other Financing Sources	<u>355,000</u>	<u>355,000</u>	<u>-</u>	<u>355,000</u>	<u>-</u>
Revenues and Other Sources (Over) Under Expenditures	\$ -	<u>\$ 771,136</u>	(505,150)	<u>265,986</u>	<u>265,986</u>
Fund Balance, Appropriated	<u>-</u>				
Net change in fund balance	<u>\$ -</u>				
Fund balance, beginning			<u>771,136</u>		
Fund balance, ending			<u>\$ 265,986</u>		

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, 2020

	Project Authorization	Actual			Variance Positive (Negative)
		In Prior Years	Current Year	Total To Date	
Revenues:					
Donations	\$ 637,560	\$ 300	\$ 8,350	\$ 8,650	\$ (628,910)
PARTF Grant	296,690			-	(296,690)
Contributed Capital	1,115,750			-	(1,115,750)
Total Revenues	<u>2,050,000</u>	<u>300</u>	<u>8,350</u>	<u>8,650</u>	<u>(2,041,350)</u>
Expenditures:					
Professional Services	15,000	961	(961)	-	15,000
Buildings	350,000	4,722	117,088	121,810	228,190
Capital-Other Imprmnts	1,776,650		249,829	249,829	1,526,821
Contingency	158,350				158,350
Total Expenditures	<u>2,300,000</u>	<u>5,683</u>	<u>365,956</u>	<u>371,639</u>	<u>1,928,361</u>
Revenues Over (Under) Expenditures	<u>(250,000)</u>	<u>(5,383)</u>	<u>(357,606)</u>	<u>(362,989)</u>	<u>(112,989)</u>
Other Financing Sources:					
Transfers from other funds					
Operating Txfr In General Fund	250,000	250,000		250,000	-
Total Other Financing Sources	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>-</u>
Revenues and Other Sources (Over) Under Expenditures	\$ -	<u>\$ 244,617</u>	(357,606)	<u>(112,989)</u>	<u>(112,989)</u>
Fund Balance, Appropriated	<u>-</u>				
Net change in fund balance	<u>\$ -</u>				
Fund balance, beginning			<u>244,617</u>		
Fund balance, ending			<u>\$ (112,989)</u>		

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, 2020

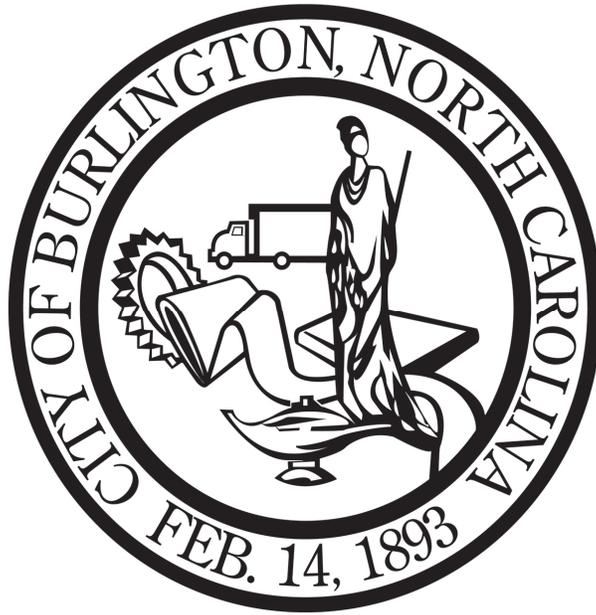
	Project Authorization	Actual		Total To Date	Variance Positive (Negative)
		In Prior Years	Current Year		
Revenues:					
Donations	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:					
Land	50,000		50,000	50,000	-
Buildings	277,880		222,527	222,527	55,353
Capital-Other Imprmnts	1,211,100	58,228	66,640	124,868	1,086,232
Contingency	<u>13,894</u>				<u>13,894</u>
Total Expenditures	<u>1,552,874</u>	<u>58,228</u>	<u>339,167</u>	<u>397,395</u>	<u>1,155,479</u>
Revenues Over (Under) Expenditures	<u>(1,552,874)</u>	<u>(58,228)</u>	<u>(339,167)</u>	<u>(397,395)</u>	<u>1,155,479</u>
Other Financing Sources:					
Transfers from other funds					
Operating Txfr In General Fund	1,552,874	1,502,874	50,000	1,552,874	-
Total Other Financing Sources	<u>1,552,874</u>	<u>1,502,874</u>	<u>50,000</u>	<u>1,552,874</u>	<u>-</u>
Revenues and Other Sources (Over) Under Expenditures	\$ -	<u>\$ 1,444,646</u>	(289,167)	<u>1,155,479</u>	<u>1,155,479</u>
Fund Balance, Appropriated	<u>-</u>				
Net change in fund balance	<u>\$ -</u>				
Fund balance, beginning			<u>1,444,646</u>		
Fund balance, ending			<u>\$ 1,155,479</u>		

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, 2020

	Project Authorization	Actual			Variance Positive (Negative)
		In Prior Years	Current Year	Total To Date	
Revenues:					
Donations	\$ 200,000	\$ 160,000	\$ 40,000	\$ 200,000	\$ -
Total Revenues	<u>200,000</u>	<u>160,000</u>	<u>40,000</u>	<u>200,000</u>	<u>-</u>
Expenditures:					
Professional Services	160,000	100,838	59,265	160,103	(103)
Buildings	3,235,000		2,633,590	2,633,590	601,410
Capital-Other Imprmnts	67,000		22,046	22,046	44,954
Contingency	<u>166,000</u>				<u>166,000</u>
Total Expenditures	<u>3,628,000</u>	<u>100,838</u>	<u>2,714,901</u>	<u>2,815,739</u>	<u>812,261</u>
Revenues Over (Under) Expenditures	<u>(3,428,000)</u>	<u>59,162</u>	<u>(2,674,901)</u>	<u>(2,615,739)</u>	<u>812,261</u>
Other Financing Sources:					
Transfers from other funds					
Operating Txfr In General Fund	<u>3,428,000</u>	<u>-</u>	<u>3,428,000</u>	<u>3,428,000</u>	<u>-</u>
Total Other Financing Sources	<u>3,428,000</u>	<u>-</u>	<u>3,428,000</u>	<u>3,428,000</u>	<u>-</u>
Revenues and Other Sources (Over) Under Expenditures	\$ -	<u>\$ 59,162</u>	753,099	<u>812,261</u>	<u>812,261</u>
Fund Balance, Appropriated	<u>-</u>				
Net change in fund balance	<u>\$ -</u>				
Fund balance, beginning			<u>59,162</u>		
Fund balance, ending			<u>\$ 812,261</u>		

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND -STREET RESURFACING
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2020

	Project Authorization	Actual			Variance Positive (Negative)
		In Prior Years	Current Year	Total To Date	
Revenues:					
	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:					
Paving at East/South WWTP	600,000			-	600,000
Street Resurfacing/Patching	<u>1,800,000</u>			<u>-</u>	<u>1,800,000</u>
Total Expenditures	<u>2,400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,400,000</u>
Revenues Over (Under) Expenditures	<u>(2,400,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,400,000</u>
Other Financing Sources:					
Transfers from other funds					
General Fund	900,000		900,000	900,000	-
Water Resources	600,000		565,000	565,000	35,000
Transportation Sidewalk	<u>900,000</u>		<u>900,000</u>	<u>900,000</u>	<u>-</u>
Total Other Financing Sources	<u>2,400,000</u>	<u>-</u>	<u>2,365,000</u>	<u>2,365,000</u>	<u>35,000</u>
Revenues and Other Sources (Over) Under Expenditures	\$ -	<u>\$ -</u>	2,365,000	<u>2,365,000</u>	<u>2,365,000</u>
Fund Balance, Appropriated	<u>-</u>				
Net change in fund balance	<u>\$ -</u>				
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ 2,365,000</u>		



ENTERPRISE FUNDS
Individual Fund Schedules

CITY OF BURLINGTON, NORTH CAROLINA
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 For The Fiscal Year Ended June 30, 2020

	Public Transportation Fund	Storm Water Fund	Totals
ASSETS:			
Current:			
Cash and cash equivalents	\$ 10,818	\$ 4,769,069	\$ 4,779,887
Accounts receivable, net:	30,227	290,894	321,121
Inventory			
Due from other funds			
Total Current Assets	<u>41,045</u>	<u>5,059,963</u>	<u>5,101,008</u>
Noncurrent:			
Construction in progress	-	475,530	475,530
Depreciable capital assets, net	<u>274,598</u>	<u>515,615</u>	<u>790,213</u>
Total capital assets, net	<u>274,598</u>	<u>991,145</u>	<u>1,265,743</u>
Total Assets	<u><u>315,643</u></u>	<u><u>6,051,108</u></u>	<u><u>6,366,751</u></u>
Deferred Outflows of Resources			
Pension deferrals	<u>-</u>	<u>12,044</u>	<u>12,044</u>
LIABILITIES AND FUND BALANCES:			
Current:			
Accounts payable and accrued			
Liabilities	\$ 2,464,294	\$ 118,856	\$ 2,583,150
Compensated absences	2,164	1,750	3,914
Due to other funds		<u>356,294</u>	<u>356,294</u>
Total current liabilities	<u>2,466,458</u>	<u>476,900</u>	<u>2,943,358</u>
Noncurrent:			
Pension Liability	-	20,694	20,694
Compensated absences	<u>6,493</u>	<u>5,251</u>	<u>11,744</u>
Total noncurrent liabilities	<u>6,493</u>	<u>25,945</u>	<u>32,438</u>
Total Liabilities	<u>2,472,951</u>	<u>502,845</u>	<u>2,975,796</u>
Deferred Outflows of Resources			
Pension deferrals	<u>-</u>	<u>261</u>	<u>261</u>
Fund Balances:			
Net investments in capital	274,598	991,145	1,265,743
Unrestricted	<u>(2,431,906)</u>	<u>4,568,901</u>	<u>2,136,995</u>
Total Net Position	<u>\$ (2,157,308)</u>	<u>\$ 5,560,046</u>	<u>\$ 3,402,738</u>

CITY OF BURLINGTON, NORTH CAROLINA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
For The Fiscal Year Ended June 30, 2020

	Public Transportation Fund	Storm Water Fund	Totals
Operating Revenues:			
Charges for services	\$ 53,150	\$ 1,463,787	\$ 1,516,937
Other operating revenues	1,367,548	4,545	1,372,093
Total Operating revenues	1,420,698	1,468,332	2,889,030
Operating Expenses:			
Administration	211,210	362,657	573,867
Operating expenditures	1,369,621	430,148	1,799,769
Depreciation	252,453	56,980	309,433
Total Operating Expenses	1,833,284	849,785	2,683,069
Operating income (loss)	(412,586)	618,547	205,961
Non-Operating Revenue (Expenses):			
Interest on Investments	-	28,863	28,863
Income (loss) before capital			
Contributions and transfers	(412,586)	647,410	234,824
Transfer from other funds	-		-
Transfer to other funds	407,814		407,814
Change in Net Position	(4,772)	647,410	642,638
Total net position-previously reported	-	-	-
Restatement			
Total net position- beginning	(2,152,536)	4,912,636	2,760,100
Total net position- ending	\$ (2,157,308)	\$ 5,560,046	\$ 3,402,738

CITY OF BURLINGTON, NORTH CAROLINA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
For The Fiscal Year Ended June 30, 2020

	Public Transportation Fund	Storm Water Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 1,441,145	\$ 1,393,276	\$ 2,834,421
Cash paid for goods and services	(1,613,860)	(344,177)	\$ (1,958,037)
Cash paid to or on behalf of employees for services	(210,779)	(356,518)	(567,297)
Net cash provided (used) by operating activities	(383,494)	692,581	309,087
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Increase (decrease) in interfund payables	-	356,294	356,294
Transfers from other funds	407,814	-	407,814
Transfers to other funds	-	-	-
Total cash flows provided by noncapital financing activities	407,814	356,294	764,108
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(24,317)	(81,474)	(105,791)
Net cash used by capital and related financing activities	(24,317)	(81,474)	(105,791)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	-	38,795	38,795
Net increase in cash and cash equivalents	3	1,006,196	1,006,199
Balances-beginning of the year	10,815	3,762,873	3,773,688
Balances-end of the year	10,818	4,769,069	4,779,887
Reconciliation of operating income to net cash provided by operating activities			
Operating income (loss)	(412,584)	618,547	205,963
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	252,453	56,980	309,433
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	20,446	(75,055)	(54,609)
(Increase) decrease in deferred outflows of resources pensions	-	2,176	2,176
Increase in net pension liability	-	2,303	2,303
Increase in deferred inflows of resources pensions	-	90	90
Increase (decrease) in accounts payable and accrued liabilities	(244,240)	85,970	(158,270)
Increase (decrease) in accrued vacation payable	431	1,570	2,001
Net cash provided (used) by operating activities	(383,494)	692,581	309,087

CITY OF BURLINGTON, NORTH CAROLINA
PUBLIC TRANSPORTATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating Revenues:			
Donations/Reimb of Costs	-	3	
Alamance Co Contribution	25,000	25,000	
ACC Contribution	25,000	25,000	
Hayden Harman Contribution	-	-	
United Way Contribution	25,000	-	
Transit Vehicle Tax	200,000	226,967	
State Development Grant	-	-	
Federal Reimbursement	1,260,007	909,769	
Gibsonville Reimbursement	35,000	22,681	
PART Card Sales	-	1,960	
State Smap Funds	125,000	158,128	
Fare Box Revenue	60,000	50,660	
\$1 and Replacement Cards	-	530	
Total Operating Revenues	<u>1,755,007</u>	<u>1,420,698</u>	<u>(334,309)</u>
Nonoperating Revenues:			
Other fees and charges	-	-	
Total Nonoperating Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>1,755,007</u>	<u>1,420,698</u>	<u>(334,309)</u>
Expenditures:			
Salaries and employee benefits	233,321	210,779	
Operating expenditures	1,604,500	1,347,940	
Capital Outlay	325,000	45,996	
Total Expenditures	<u>2,162,821</u>	<u>1,604,715</u>	<u>558,106</u>
Revenues Over (Under) Expenditures	<u>(407,814)</u>	<u>(184,017)</u>	<u>223,797</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
PUBLIC TRANSPORTATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other Financing Sources (Uses):			
Transfers from other funds:	407,814	407,814	
Other Financing Sources (Uses):			
Transfers to other funds:			
Transportation Sdwlks & Inters Impr			-
Workmen's Compensation Self Insurance Fund			-
Water Capital Reserve			-
Sewer Capital Reserve			-
	<u>407,814</u>	<u>407,814</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>407,814</u>	<u>407,814</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	\$ 223,797	\$ 223,797
Fund Equity Appropriated	<u>-</u>		
	<u>\$ -</u>		
Reconciliation From Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other sources over expenditures and other uses			
Reconciling Items:		223,797	
Depreciation		(252,453)	
Capital outlay		24,316	
Increase in Vacation Payable		(432)	
Pension Expense		-	
		<u>-</u>	
Net Income		<u>\$ (4,772)</u>	

CITY OF BURLINGTON, NORTH CAROLINA
 STORM WATER FUND
 SCHEDULE OF REVENUES AND EXPENDITURES-
 BUDGET AND ACTUAL (NON-GAAP)
 For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
Stormwater Fees	1,216,049	1,463,787	
Permit Fees		4,545	
Total Operating Revenues	<u>1,216,049</u>	<u>1,468,332</u>	<u>252,283</u>
Nonoperating Revenues:			
Other fees and charges		28,863	
Total Nonoperating Revenues	<u>-</u>	<u>28,863</u>	<u>28,863</u>
Total Revenues	<u>1,216,049</u>	<u>1,497,195</u>	<u>281,146</u>
Expenditures:			
Salaries and employee benefits	382,249	356,518	
Operating expenditures	393,800	279,007	
Capital Improvements	680,400	156,095	
Engineering/professional fees	60,000	76,520	
Equipment	-		
Total Expenditures	<u>1,516,449</u>	<u>868,140</u>	<u>648,309</u>
Revenues Over (Under) Expenditures	<u>(300,400)</u>	<u>629,055</u>	<u>929,455</u>
Other Financing Sources (Uses)			
Transfer from other funds:			
Mebane St/Grand Oaks			-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(300,400)</u>	<u>\$ 629,055</u>	<u>\$ 929,455</u>
Fund Equity Appropriated	<u>300,400</u>		
	<u>\$ -</u>		
Reconciliation From Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other sources over expenditures and other uses		629,055	
Reconciling Items:			
Depreciation		(56,980)	
Capital Outlay		81,474	
Increase in Vacation Payable		(1,570)	
Decrease in deferred outflows of resources- pensions		(2,176)	
Increase in deferred inflows of resources- pensions		(90)	
Increase in pensin liability		<u>(2,303)</u>	
Net Income		<u>\$ 647,410</u>	

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating Revenues:			
Water sales	\$ 13,507,151	\$ 12,944,825	\$ -
Sewer charges	16,368,248	15,998,123	
Water taps	150,000	252,395	
Sewer taps	25,000	54,900	
Total Operating Revenues	<u>30,050,399</u>	<u>29,250,243</u>	<u>(800,156)</u>
Nonoperating Revenues:			
Interest on investments	153,680	551,275	
Interest on assessments	2,700	7,118	
Miscellaneous	280,620	309,551	
Water and sewer assessments			
Water line assessments			
Sewer line assessments			
Water connection fees			
Sewer connection fees		(1,350)	
State Grant			
Other fees and charges	131,500	468,762	
Total Nonoperating Revenues	<u>568,500</u>	<u>1,335,356</u>	<u>766,856</u>
Total Revenues	<u>30,618,899</u>	<u>30,585,599</u>	<u>(33,300)</u>
Expenditures:			
Building and Administrative-Water:			
Salaries and employee benefits	820,237	820,515	
Operating expenditures	683,536	488,727	
Reimbursement to General Fund	2,300,000	2,300,000	
Total	<u>3,803,773</u>	<u>3,609,242</u>	<u>194,531</u>
Customer Services:			
Salaries and employee benefits	690,577	552,331	
Maintenance	502,107	375,914	
Other operating expenditures	877,485	1,066,996	
Total	<u>2,070,169</u>	<u>1,995,241</u>	<u>74,928</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (continued):			
Supervision:			
Salaries and employee benefits	320,942	321,929	
Maintenance	14,000	14,301	
Other operating expenditures	62,200	41,667	
	<u>397,142</u>	<u>377,897</u>	<u>19,245</u>
Water Line-Maintenance and Repairs:			
Salaries and employee benefits	491,075	445,340	
Maintenance	218,500	211,471	
Other operating expenditures	79,100	43,009	
	<u>788,675</u>	<u>699,820</u>	<u>88,855</u>
Water Line Service and Construction:			
Salaries and employee benefits	262,036	181,081	
Maintenance	81,000	75,799	
Other operating expenditures	109,800	96,095	
Materials - taps	100,000	182,577	
Materials - lines	40,000	44,567	
	<u>592,836</u>	<u>580,119</u>	<u>12,717</u>
Sewer Line-Maintenance and Repairs:			
Salaries and employee benefits	435,659	431,022	
Maintenance	155,500	138,170	
Other operating expenditures	72,200	36,297	
	<u>663,359</u>	<u>605,489</u>	<u>57,870</u>
Sewer Line Service and Construction:			
Salaries and employee benefits	190,490	49,889	
Other operating expenditures	121,800	57,150	
Materials - taps	35,000	11,204	
Materials - lines	60,325	35,947	
	<u>407,615</u>	<u>154,190</u>	<u>253,425</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER FUND
 SCHEDULE OF REVENUES AND EXPENDITURES-
 BUDGET AND ACTUAL (NON-GAAP)
 For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (continued):			
Supervision:			
Salaries and employee benefits	541,971	445,926	
Maintenance	19,000	2,894	
Other operating expenditures	339,850	165,782	
	<u>900,821</u>	<u>614,602</u>	<u>286,219</u>
Water Sources-Protection:			
Salaries and employee benefits	53,745	54,059	
Utilities	105,000	94,607	
Maintenance	102,500	114,096	
Other operating expenditures	37,500	9,601	
	<u>298,745</u>	<u>272,363</u>	<u>26,382</u>
Ed Thomas Water Plant:			
Salaries and employee benefits	607,077	584,996	
Chemicals	520,000	535,103	
Utilities	210,000	169,280	
Maintenance	159,800	111,108	
Other operating expenditures	41,900	38,902	
	<u>1,538,777</u>	<u>1,439,389</u>	<u>99,388</u>
Lake Mackintosh Water Plant:			
Salaries and employee benefits	603,113	651,752	
Chemicals	590,000	645,487	
Utilities	275,000	223,032	
Maintenance	395,000	324,312	
Other operating expenditures	71,550	41,472	
	<u>1,934,663</u>	<u>1,886,055</u>	<u>48,608</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (continued):			
South Burlington Waste Treatment Plant:			
Salaries and employee benefits	614,161	612,797	
Chemicals	150,000	100,580	
Utilities	480,000	486,197	
Maintenance	615,000	594,947	
Other operating expenditures	103,700	45,772	
Total	<u>1,962,861</u>	<u>1,840,293</u>	<u>122,568</u>
East Burlington Waste Treatment Plant:			
Salaries and employee benefits	786,289	786,732	
Chemicals	150,000	150,396	
Utilities	537,000	457,493	
Maintenance	955,000	1,050,987	
Other operating expenditures	74,700	42,319	
Sludge disposal	157,500	161,548	
Total	<u>2,660,489</u>	<u>2,649,475</u>	<u>11,014</u>
Laboratories:			
Salaries and employee benefits	417,514	412,047	
Maintenance	51,000	33,025	
Other operating expenditures	177,600	179,711	
Total	<u>646,114</u>	<u>624,783</u>	<u>21,331</u>
Plants Maintenance:			
Salaries and employee benefits	679,605	706,867	
Maintenance	106,500	78,379	
Other operating expenditures	298,525	271,131	
Total	<u>1,084,630</u>	<u>1,056,377</u>	<u>28,253</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (continued):			
Lakes and Marinas:			
Salaries and employee benefits	390,262	363,233	
Utilities	30,800	28,317	
Maintenance	20,470	24,436	
Other operating expenditures	60,364	54,671	
	<u>501,896</u>	<u>470,657</u>	<u>31,239</u>
Debt Service:			
Principal Water bonds	685,341	685,341	
Interest Water bonds	437,261	436,910	
Principal Sewer bonds	1,014,659	1,014,659	
Interest Sewer bonds	1,039,121	1,038,539	
	<u>3,176,382</u>	<u>3,175,449</u>	<u>933</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Capital Outlay:			
Water lines	524,100	393,396	
Miscellaneous water	954,850	674,413	
Sewer lines	920,000	830,840	
Miscellaneous sewer	438,550	567,925	
Miscellaneous water & sewer	184,350	145,402	
	<u>3,021,850</u>	<u>2,611,976</u>	<u>409,874</u>
Total Expenditures	<u>26,450,797</u>	<u>24,663,417</u>	<u>1,787,380</u>
Revenues Over (Under) Expenditures	<u>4,168,102</u>	<u>5,922,182</u>	<u>1,754,080</u>
Other Financing Sources (Uses):			
Transfer from other funds:			
Jordan Lake Rules			-
Stony Creek Lake Cammack			-
Jordan Lake Rules #2			-
Transfers to other funds:			
Group Health Insurance Fund	(1,161,424)	(626,424)	535,000
Street Resurfacing	(565,000)	(500,000)	65,000
Workmen's Compensation Self Insuranc	(380,502)	(380,502)	-
Water Capital Reserve	(1,937,163)	(1,934,289)	2,874
Sewer Capital Reserve	(607,163)	(604,289)	2,874
	<u>(4,651,252)</u>	<u>(4,045,504)</u>	<u>605,748</u>
Total Other Financing Sources (Uses)	<u>(4,651,252)</u>	<u>(4,045,504)</u>	<u>605,748</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(483,150)	<u>\$ 1,876,678</u>	<u>\$ 2,359,828</u>
Fund Equity Appropriated	<u>483,150</u>		
	<u>\$ -</u>		

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER FUND
 SCHEDULE OF REVENUES AND EXPENDITURES-
 BUDGET AND ACTUAL (NON-GAAP)
 For the Fiscal Year Ended June 30, 2020

<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Reconciliation From Budgetary Basis (Modified Accrual) to Full Accrual:		
Revenues and other sources over expenditures and other uses		\$ 1,876,678
Reconciling Items:		
Principal retirement		1,700,000
Amortization of gain on defeasance		10,465
Amortization of bond premium		42,062
Capital outlay		2,332,994
Operating transfers (in) out		2,538,578
Increase in inventories		(37,738)
Decrease in accrued interest payable		74,354
Decrease in accrued vacation payable		(49,536)
Decrease in deferred outflows of resources - pensions		(215,430)
Decrease in deferred inflows of resources - pensions		(8,888)
Increase in pension liability		(228,043)
Increase in deferred outflows of resources - OPEB		230,453
Decrease in deferred inflows of resources - OPEB		58,533
Decrease in OPEB liability		(254,458)
Depreciation		(6,438,161)
Capital project revenues		383,392
Capital project expenditures		(69,475)
Net Income		<u>\$ 1,945,780</u>

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER CAPITAL PROJECTS - WATER CAPITAL RESERVE FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Investment Earnings	<u> </u>	<u>211,421</u>	<u>211,421</u>
Total Revenues	<u> -</u>	<u>211,421</u>	<u>211,421</u>
Expenditures:			
Capital Outlay	<u>354,289</u>	<u> -</u>	<u>354,289</u>
Total Expenditures	<u>354,289</u>	<u> -</u>	<u>354,289</u>
Revenues Over (Under) Expenditures	<u>(354,289)</u>	<u>211,421</u>	<u>565,710</u>
Other Financing Sources (Uses):			
Transfer from other funds:			
Water and Sewer Fund	354,289	1,934,289	1,580,000
Hwy 87 Ossipee Water Line	-	-	-
Transfer to other funds:			
JD Mackintosh Trmt Processing	<u>(2,125,200)</u>	<u>(2,125,200)</u>	<u> -</u>
Total Other Financing Sources (Uses)	<u>(1,770,911)</u>	<u>(190,911)</u>	<u>1,580,000</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(2,125,200)	<u>\$ 20,510</u>	<u>\$ 2,145,710</u>
Fund balance Appropriated	<u>2,125,200</u>		
Net change in fund balance	<u>\$ -</u>		
Fund balance, beginning		<u>16,255,498</u>	
Fund balance, ending		<u>\$ 16,276,008</u>	

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER CAPITAL PROJECTS - SEWER CAPITAL RESERVE FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Investment Earnings	<u> </u>	<u>171,964</u>	<u>171,964</u>
Total Revenues	<u> </u>	<u>171,964</u>	<u>171,964</u>
Expenditures:			
Capital Outlay	<u>354,289</u>	<u>-</u>	<u>354,289</u>
Total Expenditures	<u>354,289</u>	<u>-</u>	<u>354,289</u>
Revenues Over (Under) Expenditures	<u>(354,289)</u>	<u>171,964</u>	<u>526,253</u>
Other Financing Sources (Uses):			
Transfer from other funds:			
Water and Sewer Fund	354,289	604,289	250,000
Hwy 87 Ossipee Water Line	-	-	
Mebane St/Grand Oaks Water	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>354,289</u>	<u>604,289</u>	<u>250,000</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	<u>\$ 776,253</u>	<u>\$ 776,253</u>
Fund balance Appropriated	<u>-</u>		
Net change in fund balance	<u>\$ -</u>		
Fund balance, beginning		<u>13,939,084</u>	
Fund balance, ending		<u>\$ 14,715,337</u>	

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER CAPITAL PROJECTS - TANK REMOVAL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
From Inception And For The Fiscal Year Ended June 30, 2020

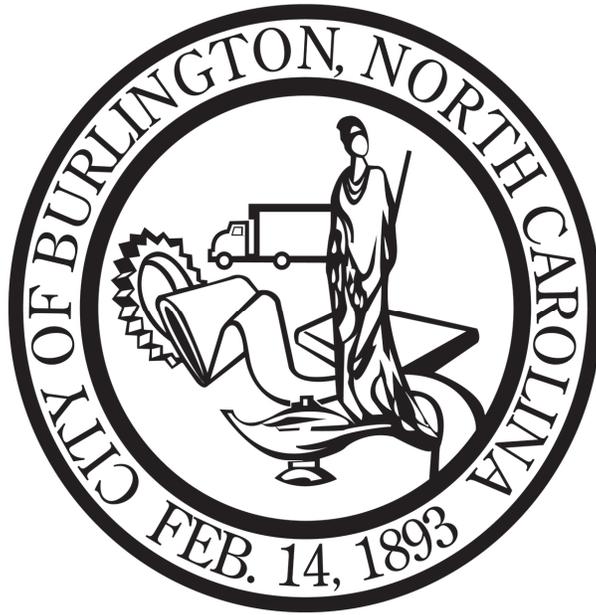
	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Costs	Total to date	
Revenues:					
Restricted					
Intergovernmental:					
UST					
reimbursement	\$ 335,000	\$ 502,754	\$ -	\$ 502,754	\$ 167,754
Miscellaneous					
Investment earnings	-	2,818	-	2,818	2,818
Sales tax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

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER CAPITAL PROJECTS - SEWER SERV EXPANSION/AIRPORT
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2020

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Costs	Total to date	
Revenues:					
Restricted					
Intergovernmental:					
Airport Donation	\$ 167,000.00	\$ -	-	\$ -	\$ (167,000.00)
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 (Uses):					
Transfers from other funds:					
Water Capital Reserve Fund	239,200	239,200	-	239,200	-
Transfers to other funds:					
Water Capital Reserve Fund	-	-	-	-	-
Total Other Financing Sources	239,200	239,200	-	239,200	-
Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 231,688	\$ -	\$ 231,688	\$ 231,688

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER CAPITAL PROJECTS - J D MACKINTOSH TREATMENT PROCESS
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2020

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Costs	Total to date	
Revenues:					
Restricted					
Intergovernmental:					
Airport Donation	\$ -	\$ -	-	\$ -	\$ -
Alamance County Donation	-	-	-	-	-
Total Revenues	-	-	-	-	-
Expenditures:					
Professional Services	604,200	121,506	69,475	190,981	413,219
Buildings	2,821,000	-	136,104	136,104	2,684,896
Total Expenditures	3,425,200	121,506	205,579	327,085	3,098,115
Revenues Over (Under) Expenditures	(3,425,200)	(121,506)	(205,579)	(327,085)	3,098,115
Other Financing Sources (Uses):					
Transfers from other funds:					
Water & Sewer Fund	1,300,000	1,300,000	-	1,300,000	-
Water Capital Reserve	2,125,200	-	2,125,200	2,125,200	-
Transfers to other funds:					
Sewer Capital Reserve Fund	-	-	-	-	-
Total Other Financing Sources	3,425,200	1,300,000	2,125,200	3,425,200	-
Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 1,178,494	\$ 1,919,621	\$ 3,098,115	\$ 3,098,115



INTERNAL SERVICE FUND
Combining Schedules
And Individual Fund Schedules

CITY OF BURLINGTON, NORTH CAROLINA
 ALL INTERNAL SERVICE FUNDS
 STATEMENT OF NET POSITION
 June 30, 2020

	Dental Self Insurance <u>Fund</u>	Worker's comp Insurance <u>Fund</u>	Health Insurance <u>Fund</u>	Total Internal <u>Service Fund</u>
ASSETS:				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 1,278,630	\$ 546,191	\$ 1,913,051	\$ 3,737,872
Accounts receivable	23,925	31,890	258,710	314,525
Due from other funds	-	-	-	-
Prepaid Insurance	-	-	-	-
Total Current Assets	<u>\$ 1,302,555</u>	<u>\$ 578,081</u>	<u>\$ 2,171,761</u>	<u>\$ 4,052,397</u>
LIABILITIES AND FUND BALANCES:				
CURRENT LIABILITIES:				
Accounts payable and accrued liabilities	66,521	125,881	802,360	994,762
Total Current Liabilities	<u>66,521</u>	<u>125,881</u>	<u>802,360</u>	<u>994,762</u>
NET POSITION:				
Unrestricted	<u>1,236,034</u>	<u>452,200</u>	<u>1,369,401</u>	<u>3,057,635</u>
Total Net Position	<u>\$ 1,236,034</u>	<u>\$ 452,200</u>	<u>\$ 1,369,401</u>	<u>\$ 3,057,635</u>

CITY OF BURLINGTON, NORTH CAROLINA
 ALL INTERNAL SERVICE FUNDS
 COMBINING SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 For The Fiscal Year Ended June 30, 2020

	Dental Self Insurance Fund	Workers Compensation Self Insurance Fund	Group Health Benefits Self Insurance Fund	Total Internal Service Fund
Operating Revenues:				
Charges for services	\$ 578,708	\$ -	\$ 7,025,178	\$ 7,603,886
Total Operating Revenues	<u>578,708</u>	<u>-</u>	<u>7,025,178</u>	<u>7,603,886</u>
Operating Expenses:				
Salaries and employee benefits		246,207	203,295	449,502
Operating expenses	36,798	36,335	42,600	115,733
Claims paid, excess loss coverage and claims administration	<u>503,725</u>	<u>583,480</u>	<u>8,584,359</u>	<u>9,671,564</u>
Total Operating Expenses	<u>540,523</u>	<u>866,022</u>	<u>8,830,254</u>	<u>10,236,799</u>
Operating Income (Loss)	<u>38,185</u>	<u>(866,022)</u>	<u>(1,805,076)</u>	<u>(2,632,913)</u>
Non-Operating Revenues:				
Interest earned on investments	<u>6,588</u>	<u>0</u>	<u>6,318</u>	<u>12,906</u>
Total Non-Operating Revenues	<u>6,588</u>	<u>0</u>	<u>6,318</u>	<u>12,906</u>
Income (Loss) before transfers	44,773	(866,022)	(1,798,758)	(2,620,007)
Transfers from other funds	<u>-</u>	<u>946,270</u>	<u>1,609,358</u>	<u>2,555,628</u>
Change in net position	44,773	80,248	(189,400)	(64,379)
Total net position - beginning	<u>1,191,261</u>	<u>371,952</u>	<u>1,558,801</u>	<u>\$ 3,122,014</u>
Net Position, End of Year	<u>\$ 1,236,034</u>	<u>\$ 452,200</u>	<u>\$ 1,369,401</u>	<u>\$ 3,057,635</u>

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, 2020

	Dental Self Insurance Fund	Workers Compensation Self Insurance Fund	Group Health Benefits Self Insurance Fund	Total Internal Service Fund
CASH FLOWS FROM				
OPERATING ACTIVITIES:				
Cash received from customers	\$ 580,237	\$ (31,609)	\$ 7,005,765	\$ 7,554,393
Cash paid for goods and services	(590,495)	(620,274)	(8,558,856)	(9,769,625)
Cash paid to employees	-	(246,207)	(203,295)	(449,502)
Net cash provided by operating activities	<u>(10,258)</u>	<u>(898,090)</u>	<u>(1,756,386)</u>	<u>(2,664,734)</u>
CASH FLOWS FROM				
NONCAPITAL FINANCING ACTIVITIES				
(Increase) Decrease in due from other funds	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND				
RELATED FINANCING ACTIVITIES:				
Transfer from other funds:				
General Fund	-	565,768	1,047,934	1,613,702
Water Resources	-	380,502	561,424	941,926
Net cash provided by capital and related financing activities	<u>-</u>	<u>946,270</u>	<u>1,609,358</u>	<u>2,555,628</u>
CASH FLOWS FROM				
INVESTING ACTIVITIES:				
Interest on investments	<u>6,589</u>	<u>-</u>	<u>6,318</u>	<u>12,907</u>
Total Non-Operating Revenues	6,589	-	6,318	12,907
Net Increase (Decrease) in Cash and Cash Equivalents	(3,669)	48,180	(140,710)	(96,199)
Transfer from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balances - Beginning of Year	<u>1,282,299</u>	<u>498,011</u>	<u>2,053,761</u>	<u>3,834,071</u>
Balances - End of Year	<u>\$ 1,278,630</u>	<u>\$ 546,191</u>	<u>\$ 1,913,051</u>	<u>\$ 3,737,872</u>

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, 2020

	Dental Self Insurance Fund	Workers Compensation Self Insurance Fund	Group Health Benefits Self Insurance Fund	Total Internal Service Fund
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating income (loss)	\$ 38,185	\$ (866,022)	\$ (1,805,076)	\$ (2,632,913)
Adjustments to reconcile operating income to net cash provided by operating activities:				
(Increase) Decrease in accounts receivable	1,529	(31,609)	(19,413)	(49,493)
(Increase) Decrease in prepaid insurance	-	-	-	-
Increase (Decrease) in accounts payable	<u>(49,971)</u>	<u>(459)</u>	<u>68,103</u>	<u>17,673</u>
Net cash provided by operating activities	<u>\$ (10,257)</u>	<u>\$ (898,090)</u>	<u>\$ (1,756,386)</u>	<u>\$ (2,664,733)</u>

CITY OF BURLINGTON, NORTH CAROLINA
DENTAL SELF INSURANCE FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
FINANCIAL PLAN AND ACTUAL (NON-GAAP)
For The Fiscal Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
City of Burlington	\$ -	\$ 446,735	\$ -
Employee Premium		131,973	
Total Operating Revenues	512,854	578,708	65,854
Non-Operating Revenues:			
Investment Earnings	-	6,588	6,588
Total Revenues	512,854	585,296	72,442
Expenditures:			
City of Burlington Claims		503,725	
Operating expenditures		36,798	
Total Expenditures	704,322	540,523	163,799
Revenues Over Expenditures	\$ (191,468.00)	\$ 44,773	\$ 236,241
Fund balance appropriated	191,468		
Net change in fund balance	\$ -		

Reconciliation From Financial Plan Basis (Modified Accrual) to Full Accrual Basis:

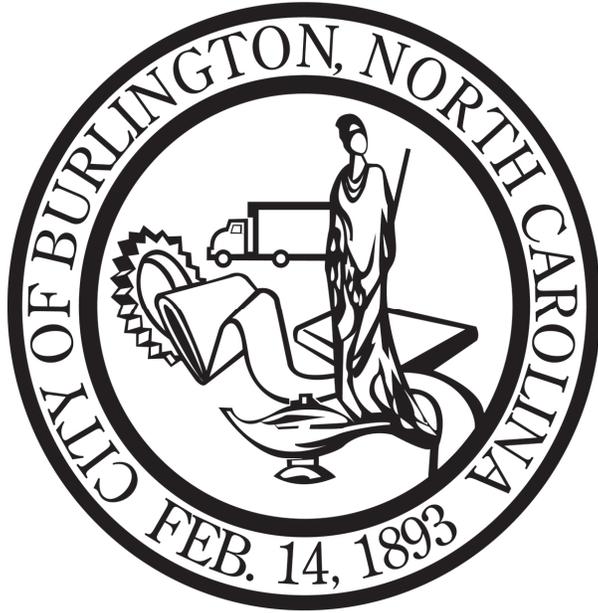
Revenues Over Expenditures	\$ 44,773
Reconciling Items:	
Increase in allowance for unfiled claims	-
Net Income	\$ 44,773

CITY OF BURLINGTON, NORTH CAROLINA
 WORKERS COMPENSATION SELF INSURANCE FUND
 SCHEDULE OF REVENUES AND EXPENDITURES-
 FINANCIAL PLAN AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
City of Burlington	\$ -	\$ -	
Total Operating Revenues	-	-	-
Non-Operating Revenues:			
Investment Earnings	-	-	-
Total Revenues	-	-	-
Expenditures:			
Salaries and employee benefits		246,207	
Operating expenditures		36,335	
Contractual services		197,714	
Workers compensation		385,153	
Safety training		613	
Total Expenditures	1,063,964	866,022	197,942
Revenues Over (Under) Expenditures	\$ (1,063,964)	\$ (866,022)	\$ 197,942
Other Financing Sources			
Transfers 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 (Under) Expenditures	\$ (117,694)	<u>\$ 80,248</u>	<u>\$ 197,942</u>
Fund balance appropriated	<u>117,694</u>		
Net change in fund balance	<u>\$ -</u>		
Reconciliation From Financial Plan Basis (Modified Accrual) to Full Accrual Basis:			
Revenues Over (Under) Expenditures		\$ 80,248	
Reconciling Items:			
Decrease in allowance for unfilled claims		<u>-</u>	
Net Income (Loss)		<u>\$ 80,248</u>	

CITY OF BURLINGTON, NORTH CAROLINA
GROUP HEALTH BENEFITS SELF INSURANCE FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
FINANCIAL PLAN AND ACTUAL (NON-GAAP)
For The Fiscal Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
City of Burlington	\$ -	\$ 5,619,853	\$ -
City of Burlington Employee Premium		<u>1,405,325</u>	
Total Operating Revenues	7,007,954	7,025,178	17,224
Non-Operating Revenues:	-	6,318	6,318
Total Revenues	<u>7,007,954</u>	<u>7,031,496</u>	<u>23,542</u>
Expenditures:			
Salaries and employee benefits		203,295	
Operating expenditures		42,600	
Third party administration		352,349	
City of Burlington Claims		<u>8,170,140</u>	
Total Expenditures	<u>9,415,566</u>	<u>8,768,384</u>	<u>647,182</u>
Revenues Over (Under) Expenditures	<u>\$ (2,407,612)</u>	<u>\$ (1,736,888)</u>	<u>\$ 670,724</u>
Other Financing Sources			
Transfers from other funds:			
General Fund	1,047,934	1,047,934	-
Water and Sewer Fund	<u>561,424</u>	<u>561,424</u>	-
Total Other Financing Sources	<u>1,609,358</u>	<u>1,609,358</u>	-
Revenues and Other Sources Over Expenditures	<u>\$ (798,254)</u>	<u>\$ (127,530)</u>	<u>\$ 670,724</u>
Fund balance appropriated	<u>798,254</u>		
Net change in fund balance	<u>\$ -</u>		
Reconciliation From Financial Plan Basis (Modified Accrual) to Full Accrual Basis:			
Revenues Over (Under) Expenditures		\$ (127,530)	
Reconciling Items:			
Increase in allowance for unfiled claims		(61,870)	
Net Income (Loss)		<u>\$ (189,400)</u>	



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, 2020

Fiscal Year	Uncollected Balance June 30, 2019	Additions	Collections And Credits	Uncollected Balance June 30, 2020
2019-2020	\$	\$ 30,851,810	30,273,984	\$ 577,826
2018-2019	402,485	-	183,075	219,410
2017-2018	197,439	-	66,829	130,610
2016-2017	142,681	-	41,633	101,047
2015-2016	112,149	-	33,307	78,842
2014-2015	86,645	-	12,361	74,284
2013-2014	89,703	-	7,411	82,292
2012-2013	90,291	-	5,032	85,259
2011-2012	69,002	-	2,587	66,415
2010-2011	66,342	-	1,897	64,445
2009-2010	58,954	-	1,631	57,323
1965-2008	185,512	-	8,179	177,333
	<u>\$ 1,501,203</u>	<u>\$ 30,851,810</u>	<u>\$ 30,637,926</u>	<u>1,715,085</u>
Less: Allowance for uncollectible accounts:				
General Fund				(710,955)
Special Revenue Fund				<u>(35,431)</u>
Ad Valorem Taxes Receivable - Net				<u>\$ 968,700</u>
Reconciliation with Revenues:				
Taxes - ad valorem - General Fund				\$ 30,430,197
Taxes - ad valorem - Special Revenue Fund				<u>150,698</u>
Total				30,580,896
Reconciling Items:				
Discounts allowed				83,442
Interest collected				(98,121)
Taxes written off				<u>71,709</u>
Total Collections and Credits				<u>\$ 30,637,926</u>

CITY OF BURLINGTON, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
CITY WIDE LEVY
For the Fiscal Year Ended June 30, 2020

	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	\$ 5,091,959,343	0.5973	\$ 30,414,273	\$ 27,631,230	\$ 2,783,043
Penalties	-		14,835	14,835	-
Total	<u>5,091,959,343</u>		<u>30,429,108</u>	<u>27,646,065</u>	<u>2,783,043</u>
Discoveries:					
Current year taxes	141,250,025	0.5973	843,686	843,686	-
Prior year taxes	-		-	-	-
Penalties	-		-	-	-
Total	<u>141,250,025</u>		<u>843,686</u>	<u>843,686</u>	<u>-</u>
Abatements and Adjustments:					
Advertising, interest and adjustments	-		-	-	-
Abatements	(98,896,069)	0.5973	590,706	590,706	-
Total	<u>(98,896,069)</u>		<u>590,706</u>	<u>590,706</u>	<u>-</u>
Total Property Valuation	<u>\$ 5,134,313,299</u>				
Net City Wide levy			31,863,500	29,080,457	2,783,043
Uncollected Taxes at June 30, 2020			(578,895)	(550,116)	(28,779)
Current Year's Taxes Collected			<u>\$ 31,284,605</u>	<u>\$ 28,530,341</u>	<u>\$ 2,754,264</u>
Current City-Wide Levy Collection Percentage			<u>98.18%</u>	<u>98.11%</u>	<u>98.97%</u>
Downtown Special Tax District:					
Original Levy:					
Property taxed at current year's rate	\$ 87,916,870	0.1700	\$ 149,459	\$ 148,314	\$ 1,145
Penalties	-		140	140	-
Discoveries:					
Current year taxes	-		-	-	-
Abatements and Adjustments:					
Abatements	-		-	-	-
Total Property Valuation	<u>\$ 87,916,870</u>				
Net Downtown Special Tax District Levy			149,599	148,454	1,145
Uncollected Taxes at June 30, 2020			(571)	(571)	-
Current Year's Taxes Collected			<u>\$ 149,028</u>	<u>\$ 147,883</u>	<u>\$ 1,145</u>
Current Downtown Special Tax District Levy Collection Percentage			<u>99.62%</u>	<u>99.62%</u>	<u>100.00%</u>

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	152-159
Revenue Capacity These schedules contain information to help the reader assess the city's most significant revenue source, the property tax.	160-163
Debt Capacity These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	164-168
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	169-170
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	171-173

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 Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Governmental activities				
Net investment in capital assets	\$ 70,063,091	\$ 66,803,442	\$ 63,335,497	\$ 61,866,098
Restricted	18,634,319	18,886,043	17,333,258	15,836,565
Unrestricted	3,724,929	7,405,183	16,974,595	40,729,902
Total governmental activities net position	<u>\$ 92,422,339</u>	<u>\$ 93,094,668</u>	<u>\$ 97,643,350</u>	<u>\$ 118,432,565</u>
Business-type activities				
Net investment in capital assets	\$ 111,813,220	\$ 114,233,400	\$ 116,139,450	\$ 117,000,177
Restricted	34,941,073	31,855,331	28,736,279	24,824,561
Unrestricted	44,336,126	42,795,042	40,113,775	41,868,527
Total business-type activities net position	<u>\$ 191,090,419</u>	<u>\$ 188,883,773</u>	<u>\$ 184,989,504</u>	<u>\$ 183,693,265</u>
Primary government				
Net investment in capital assets	\$ 181,876,311	\$ 181,036,842	\$ 179,474,947	\$ 178,866,275
Restricted	53,575,392	50,741,374	46,069,537	40,661,126
Unrestricted	48,061,055	50,200,225	57,088,370	82,598,429
Total primary government net position	<u>\$ 283,512,758</u>	<u>\$ 281,978,441</u>	<u>\$ 282,632,854</u>	<u>\$ 302,125,830</u>

Fiscal Year					
<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 58,866,501	\$ 53,722,717	\$ 49,762,940	\$ 48,383,850	\$ 44,355,341	\$ 42,802,718
13,429,638	14,069,943	19,635,641	18,392,387	17,287,399	11,376,455
50,297,700	54,267,735	49,905,470	49,958,695	54,423,395	60,773,388
<u>\$ 122,593,839</u>	<u>\$ 122,060,395</u>	<u>\$ 119,304,051</u>	<u>\$ 116,734,932</u>	<u>\$ 116,066,135</u>	<u>\$ 114,952,561</u>
\$ 115,837,458	\$ 114,539,725	\$ 107,207,635	\$ 105,523,250	\$ 85,748,070	\$ 97,111,037
21,486,577	19,469,499	21,186,874	17,544,176	35,544,241	24,282,332
39,876,986	35,033,434	36,428,343	34,109,701	33,404,248	31,292,633
<u>\$ 177,201,021</u>	<u>\$ 169,042,658</u>	<u>\$ 164,822,852</u>	<u>\$ 157,177,127</u>	<u>\$ 154,696,559</u>	<u>\$ 152,686,002</u>
\$ 174,703,959	\$ 168,262,442	\$ 156,970,575	\$ 153,907,100	\$ 130,103,411	\$ 139,913,755
34,916,215	33,539,442	40,822,515	35,936,563	52,831,640	35,658,787
90,174,686	89,301,169	86,333,813	84,068,396	87,827,643	92,066,021
<u>\$ 299,794,860</u>	<u>\$ 291,103,053</u>	<u>\$ 284,126,903</u>	<u>\$ 273,912,059</u>	<u>\$ 270,762,694</u>	<u>\$ 267,638,563</u>

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental activities:										
General government	\$ 9,613,503	\$ 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
Public safety	31,191,548	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
Public works	13,685,136	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
Economic and physical development	1,163,416	1,105,682	922,433	1,112,715	3,007,984	1,880,541	1,474,928	1,368,876	1,574,410	1,367,129
Cultural and recreation	7,855,028	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
Interest on long-term debt	86,155	95,111	67,660	51,076	68,461	331,290	363,756	1,378,315	766,290	644,306
Total governmental activities expenses	63,594,786	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
Business-type activities:										
Non-major enterprise funds	2,683,069	2,355,000	2,075,238	1,915,455	433,571	518,104	377,647	605,815	305,939	310,474
Water and sewer	27,998,058	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
Total business-type activities expenses	30,581,127	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
Total primary government expenses	\$ 94,175,913	\$ 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
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	\$ 2,741,289	\$ 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
Public safety	1,027,700	940,959	818,406	576,346	340,368	354,258	412,298	367,587	261,105	306,973
Public works	1,425,039	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
Economic and physical development	419,159	417,547	351,947	216,399	1,765,852	1,435,313	1,289,117	1,231,921	1,289,117	9,777
Cultural and recreation	1,644,730	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
Operating grants and contributions	3,794,200	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
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	11,052,117	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

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

	Fiscal Year				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund					
Restricted					
Stabilization by State Statute	\$ 8,615,650	\$ 9,002,176	\$ 9,614,902	\$ 8,569,387	\$ 6,410,101
Historic Books	1,418	1,418	1,418	1,418	1,418
Animal Shelter	17,800	5,562	562	562	562
Committed					
Capital Reserve Fund	4,070,628	4,047,215	5,505,961	8,183,945	10,713,528
Assigned					
Subsequent Years Expenditure	1,636,986	1,636,986	1,636,986	1,636,986	1,636,986
General Government	3,450,000	4,316,000	4,316,000	4,316,000	4,316,000
Parks and Recreation	115,897	1,694,353	1,763,652	1,836,316	1,882,466
Public Safety	5,450,000	5,950,000	5,950,000	5,950,000	5,950,000
Economic Development	2,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Public Works	1,172,300	1,172,300	3,125,000	3,125,000	3,125,000
Unassigned	7,491,548	5,836,538	7,822,866	9,734,666	11,212,212
Total general fund	<u>34,022,227</u>	<u>36,662,548</u>	<u>42,737,347</u>	<u>46,354,280</u>	<u>48,248,273</u>
All Other Governmental Funds					
Restricted					
Stabilization by State Statute	-	53,580	176,524	-	3,893,620
Economic Development	6,734,888	6,597,417	6,624,716	6,635,345	3,281,786
Public Safety	201,273	408,917	525,440	263,393	
Committed					
Capital Improvements	6,637,633	8,493,087	3,508,898	3,181,729	1,803,057
Capital Reserve Fund	-	-	-	-	-
Assigned					
Subsequent year's expenditures:	684,647	494,564	608,341	606,703	196,182
Unassigned	(213,037)	(2,380,170)	(122,944)	176,524	-
Total all other governmental funds	<u>\$ 14,045,404</u>	<u>\$ 13,667,395</u>	<u>\$ 11,320,975</u>	<u>\$ 10,863,694</u>	<u>\$ 9,174,645</u>

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

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 5,472,018	\$ 6,954,980	\$ 6,901,755	\$ 6,113,452	\$ 6,163,934
1,418	1,418	1,418	1,418	1,418
562	562	562	562	562
11,279,424	16,925,388	16,620,740	18,323,847	18,603,387
1,636,986	1,636,986	1,816,112	2,053,816	1,636,986
4,316,000	4,316,000	4,316,000	4,316,000	4,316,000
1,882,466	1,381,370	1,428,771	1,321,156	1,398,269
5,950,000	5,450,000	5,450,000	5,450,000	5,450,000
3,000,000	3,000,000	3,000,000	3,000,000	-
3,125,000	3,125,000	3,125,000	3,125,000	700,000
12,468,373	8,881,287	7,445,326	8,211,865	12,946,857
49,132,247	51,672,991	50,105,684	51,917,116	51,217,413
-	-	-	-	5,014
6,762,024	6,881,935	7,178,068	7,400,720	7,606,888
460,696	497,277	396,767	345,649	375,237
-	1,280,743	980,769	977,891	1,204,506
4,586,098	-	-	-	-
447,806	468,859	483,457	491,785	505,148
(20,282)	(41,105)	(7,575)	(156,794)	20,114
\$12,236,342	\$ 9,087,709	\$ 9,031,486	\$ 9,059,251	\$ 9,716,907

Schedule 4

**City of Burlington, North Carolina
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years**

(modified accrual basis of accounting)

	Fiscal Year			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenues				
Ad valorem taxes	\$ 30,155,607	\$ 29,482,268	\$ 28,469,070	\$ 27,790,608
Other taxes and licenses	14,397,074	14,150,569	13,488,383	12,885,026
Unrestricted intergovernmental	4,986,872	5,327,990	5,005,877	5,169,077
Restricted intergovernmental	5,155,789	4,286,830	4,372,907	3,869,756
Permits and fees	1,732,375	1,359,289	1,406,586	1,386,668
Sales and services	3,829,017	4,116,673	4,242,068	4,222,427
Investment earnings	908,529	1,269,171	231,194	912,192
Miscellaneous	535,893	437,093	355,166	825,690
Total revenues	61,701,156	60,429,883	57,571,251	57,061,444
Expenditures				
General government	8,201,870	8,108,390	7,873,369	7,328,111
Public safety	27,704,875	27,441,553	26,440,906	24,988,051
Public works	10,253,041	10,668,069	10,150,081	10,016,705
Economic and physical development	964,550	958,027	1,603,047	1,112,716
Culture and recreation	6,985,996	7,130,866	7,161,246	7,241,632
Debt service:				
Principal	2,524,718	2,574,643	2,542,038	2,677,205
Interest	121,103	100,474	104,685	119,834
Capital Outlay	7,706,780	8,799,741	5,380,788	5,007,434
Total expenditures	64,462,933	65,781,763	61,256,160	58,491,688
Excess of revenues over (under) expenditures	(2,761,777)	(5,351,880)	(3,684,909)	(1,430,244)
Other Financing Sources (Uses)				
Transfers from other funds	6,079,228	5,917,708	3,374,795	7,016,202
Transfers to other funds	(7,480,035)	(6,448,950)	(4,853,108)	(7,825,048)
Transfers to component unit	-	-	-	-
Capital lease obligations issued	-	-	-	-
Certificates of participation issued	-	-	-	-
Issuance of private activity bonds (RZED)	-	-	-	-
Proceeds from bond issuance	-	-	-	-
Issuance from installment purchase	1,900,272	2,154,743	2,015,318	1,951,100
Total other financing sources (uses)	499,465	1,623,501	537,005	1,142,254
Net change in fund balances	\$ (2,262,312)	\$ (3,728,379)	\$ (3,147,904)	\$ (287,990)
Debt service as a percentage of noncapital expenditures	4.7%	4.7%	4.7%	5.2%

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 27,509,164	\$ 26,928,485	\$ 27,149,806	\$ 26,425,908	\$ 24,720,911	\$ 25,984,094
12,438,131	12,099,079	10,970,124	10,496,181	10,261,128	10,086,790
4,709,848	4,914,193	4,560,068	4,222,801	4,509,286	4,444,816
4,388,175	4,883,976	5,293,541	4,114,494	4,023,377	3,868,203
1,365,831	1,243,300	1,128,772	1,222,541	1,025,476	868,641
4,464,274	4,066,783	3,858,474	3,962,533	3,947,957	3,983,062
539,461	159,092	125,548	261,564	249,731	189,248
690,978	1,126,630	773,474	610,474	353,006	288,747
56,105,862	55,421,538	53,859,807	51,316,496	49,090,872	49,713,601
8,716,239	9,106,232	8,490,457	8,053,763	7,713,558	8,316,294
23,556,205	22,633,787	20,869,801	20,670,064	19,523,967	18,654,343
8,532,598	6,744,540	9,756,316	7,603,776	8,644,203	7,962,307
2,820,260	1,880,541	1,474,926	1,368,876	1,574,410	1,619,663
6,933,653	6,430,052	6,097,465	6,078,028	5,812,752	5,628,193
2,569,211	5,100,769	2,857,008	10,446,422	2,691,898	2,841,286
148,720	294,774	358,419	674,661	723,597	778,504
7,288,650	3,919,060	3,638,530	4,615,107	3,148,952	4,599,040
60,565,536	56,109,755	53,542,922	59,510,697	49,833,337	50,399,630
(4,459,674)	(688,217)	316,885	(8,194,201)	(742,465)	(686,029)
2,254,046	9,494,212	1,980,771	3,946,670	2,679,386	711,581
(3,784,663)	(9,807,067)	-	(4,259,526)	(3,092,241)	(1,024,435)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,044,621	1,608,961	1,619,502	6,667,859	1,267,473	991,857
514,004	1,296,106	3,600,273	6,355,003	854,618	679,003
\$ (3,945,670)	\$ 607,889	\$ 3,917,158	\$ (1,839,198)	\$ 112,153	\$ (7,026)
5.1%	10.3%	6.4%	20.3%	7.3%	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
2020	\$ 3,939,912,468	\$ 1,205,435,850	\$ 95,397,819	\$ 106,432,837	\$ 5,134,313,300	\$ 0.5973
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

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)

Fiscal Year	City Direct Rates			Overlapping Rates	
	Basic Rate	General Obligation Debt Service	Total Direct	Downtown Corp	Alamance County
2020	\$ 0.54073	\$ 0.05657	\$0.59730	\$ 0.170	\$ 0.670
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

Source: City of Burlington's Finance Department

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

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Labcorp	\$ 198,416,375	1	3.86 %	\$ 97,529,255	1	2.29 %
Alamance Crossing LLC	68,308,298	2	1.33	56,732,998	2	1.33
Duke Energy Corp	52,650,411	3	1.03	31,393,186	4	0.74
Roche Biomedical Labs	47,873,337	4	0.93	31,682,468	3	0.74
Carolina Hosiery Mills	37,571,179	5	0.73	24,360,437	6	0.57
Honda Aero/Amer Honda Motor	34,920,728	6	0.68			
Kayser Roth Corp	29,645,605	7	0.58			
PGS Burlington, LLC	29,286,691	8	0.57	28,778,649	5	0.67
Ethan Point LLC	28,074,115	9	0.55	22,103,353	7	0.52
Alamance Foods	26,714,794	10	0.52			
Koury Properties				17,602,795	9	0.41
Huffman Mill Plaza				21,103,934	8	0.49
Alamance Indust. Park				17,198,859	10	0.40
Total	\$ 553,461,533		10.78 %	\$ 348,485,934		8.17 %

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	
2020	\$ 31,863,501	\$31,284,606	98.18 %			31,284,606	98.18 %
2019	29,948,102	29,547,618	98.66	179,226		29,726,844	99.26
2018	28,873,166	28,497,888	98.70	244,571		28,742,459	99.55
2017	28,098,157	27,666,328	98.46	331,092		27,997,420	99.64
2016	27,485,321	27,099,379	98.60	291,503		27,390,882	99.66
2015	26,902,971	26,541,013	98.65	281,632		26,822,645	99.70
2014	26,803,894	26,317,352	98.18	381,698		26,699,050	99.61
2013	25,789,046	25,105,830	97.35	576,956		25,682,786	99.59
2012	24,636,120	23,819,010	96.68	730,940		24,549,950	99.65
2011	25,169,334	24,403,266	96.96	671,883		25,075,149	99.63

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

Schedule 9

City of Burlington, North Carolina

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	RZED Bonds	Installment Purchase	Capitalized Leases	Certificates of Participation	General Obligation Bonds	Revenue Bonds	Revolving Loan	Certificates of Participation				
2020	\$2,897,000	\$ -	\$1,971,795	\$ -	\$ -	\$ -	\$27,833,715	\$ -	\$ -	\$32,702,510	5.0	599	
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	

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

Schedule 10

City of Burlington, North Carolina
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities	Business-Type Activities	Total	Percentage of Actual Taxable Value (1) of Property	Per Capita (2)
	General Obligation Bonds	General Obligation Bonds			
2020	\$ 2,897,000	\$ -	\$ 2,897,000	0.06 %	\$ 53.05
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

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, 2020

(dollars in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable(a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Alamance County General Obligation Debt	\$ 33,155,000	32.21%	\$ 10,680,624
Alamance County Authorized & Unissued GO Debt	189,600,000	32.21%	61,078,159
Guilford County General Obligation Debt	624,455,000	10.17%	63,478,481
Guilford County Unamortized G.O. Bond Premium	71,451,721	10.17%	7,263,368
Other debt			
Alamance County Installment Loans	7,533,582	32.21%	2,426,885
Guilford County G.O. Bond Anticipation Notes	-	10.17%	-
Guilford County Authorized & Unissued Bonds	-	10.17%	-
Guilford County Limited Obligation Bonds	16,845,000	10.17%	1,712,365
Guilford County Installment Financing	-	10.17%	-
Subtotal, overlapping debt			146,639,882
City direct debt			<u>4,868,795</u>
Total direct and overlapping debt			\$ 151,508,677

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	5,134,313,300
Debt limit (8% of assessed value)	410,745,064
Gross Debt:	
Total Bonded Debt	2,897,000
Private Activity Bonds	-
Certificate of Participation	-
Revenue Bonds	27,180,000
Lease Financing Agreements	1,971,795
Total Gross Debt	32,048,795
Less: Water and Sewer Bonds	(27,180,000)
Total net debt applicable to limit	4,868,795
Legal debt margin	405,876,269

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt limit	\$ 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	\$ 410,745,064
Total net debt applicable to limit	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	4,868,795
Legal debt margin	\$ 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	\$ 405,876,269

Total net debt applicable to the limit as a percentage of debt limit	5.00%	4.47%	3.54%	3.03%	2.10%	1.91%	1.67%	1.53%	1.38%	1.19%
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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 Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Water & Sewer Revenue Bonds (1)						
	Utility Service Charges		Less: Operating Expenses		Net Available Revenue		Coverage
					Principal	Interest (2)	
2020	\$ 30,034,324	\$ 19,729,557	10,304,767	\$ 1,700,000	\$ 1,476,383	3.2	
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

<u>Year</u>	<u>Population Estimates (1)</u>	<u>Alamance County Personal Income (2)</u>	<u>Alamance County Per Capita Personal Income (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2020	54,606	**	**	22,809	6.0%
2019	53,748	*	*	23,019	3.9%
2018	53,077	6,548,003	39,342	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%

* Not available until April, 2021

** Not available until April, 2022

Sources:

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

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

<u>Employer</u>	2020			2011		
	Employees	Rank	Percentage of Total City Employment %	Employees	Rank	Percentage of Total City Employment %
Alamance-Burlington School Sys	3,500	1	14.38 %	3,260	1	15.87 %
LabCorp, Inc.	3,000	2	12.33	3,200	2	15.58
Cone Health Alamance Regional	2,000	3	8.22	2,057	3	10.02
City of Burlington	1,100	4	4.52	875	5	4.26
Wal-Mart Stores, Inc.	600	5	2.47	1,000	4	4.87
Glen Raven, Inc.	500	6	2.05			
PRA Group	500	7	2.05			
Alamance Foods	350	8	1.44			
Sheetz	250	9	1.03			
Tapco Underwriters, Inc.	200	10	0.82			
Kayser-Roth Corp				380	6	1.85
Kernodle Clinic, Inc.				325	7	1.58
American Multimedia, Inc.				250	8	1.22
ITG				250	9	1.22
Carolina Hosiery Mills, Inc.				220	10	1.07
Total	12,000		49.31 %	11,817		57.54 %

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

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

<u>Function/Program</u>	<u>Full-time Equivalent Employees as of June 30</u>									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General government										
Admin/Public Info/Econ Dev	9	7	6	6	4	4	3	3	3	3
Customer Service/Collections	16	16	16	17	18	20	19	19	18	19
Finance	11	12	13	11	13	14	13	13	13	14
Information Technology	8	8	8	8	7	8	7	7	6	6
Legal	2	2	2	2	3	2	1	1	1	2
Human Resources	6	8	7	6	7	6	6	6	6	6
Planning	15	15	15	16	15	15	15	14	14	14
Inspections	9	9	9	8	10	9	9	9	9	9
Engineering/Traffic Control	20	23	20	20	14	14	14	14	14	14
Animal Services	19	18	17	17						
Police										
Sworn Officers	130	129	125	112	125	121	125	123	122	124
Civilians	39	44	42	45	51	51	44	40	41	41
Fire										
Firefighter and officers	104	106	101	103	105	91	90	89	88	88
Civilians	1	1	1	1	1	1	1	1	1	1
Public Transportation										
Administration	2	2	3	3	2					
Public Works										
Administration	2		4	4	4	4	4	4	4	3
Maintenance	24	26	25	24	24	24	23	24	24	24
Street	17	18	18	17	20	20	22	22	22	23
Cemetery	12	15	15	14	14	15	16	15	14	16
Sanitation	19	20	17	17	16	17	17	18	17	21
Recreation	45	45	45	47	46	44	44	43	42	43
Water and Sewer	91	92	93	90	89	87	86	90	88	86

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**

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Police										
Physical arrests	2,206	2,328	2,289	2,198	2,561	3,067	4,277	4,202	3,897	3,873
Parking violations	104	98	25	523	392	625	1,459	2,467	1,988	3,104
Traffic violations	2,090	2,698	2,909	3,053	4,686	5,630	7,175	6,727	5,248	5,903
Fire										
Emergency responses	8,193	9,283	9,419	6,795	8,640	8,197	7,688	7,914	7,481	4,992
Fires responses	2,256	2,694	2,572	2,446	2,331	2,326	1,946	2,074	2,173	2,125
Inspections	2,068	2,853	3,062	2,725	3,044	3,313	2,990	3,064	2,863	2,712
Refuse collection										
Refuse collected (tons per day)	41	39	37	36	35	33	66	66	72	72
Recyclables collected (tons per day)	9.96	10.0	9.7	9.2	7.7	7	27	29	21	23
Other Public Works										
Street resurfacing (miles)	0.00	3.68	7.10	4.79	0.10	9.42	3.15	3.59	7.73	5.8
Potholes repaired	118	144	185	106	141	108	162	89	63	100
Recreation and Parks										
Athletic field permits issued	159	160	160	159	159	157	157	155	150	94
Community center admissions	218,000	220,000	218,000	214,200	211,900	190,300	168,700	166,550	163,400	162,500
Water										
New connections	32	35	50	50	34	38	35	34	36	32
Water mains breaks	46	38	71	46	36	57	71	50	53	72
Average daily consumption (thousands of gallons)	11,078	11,025	11,519	11,438	10,831	10,333	10,284	11,313	12,114	10,995
Peak daily consumption (thousands of gallons)	15,272	15,533	18,283	17,523	14,471	16,296	15,964	16,106	21,577	18,460
Wastewater										
Average daily sewage treatment (thousands of gallons)	12,384	14,480	10,628	10,950	12,308	10,449	11,879	10,730	10,550	11,794

Sources: Various city departments.

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

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	2	3	3	1	4	4	6	7	7	7
Patrol units	161	157	154	151	151	151	151	151	151	148
Fire Stations	6	6	6	5	5	5	5	5	5	5
Refuse collection										
Collection trucks	25	23	23	24	22	22	21	22	19	19
Other public works										
Streets (miles)	248.15	247.76	245.86	245.45	244.1	243.71	243.62	243.29	243.29	238.89
Highways (miles)	71.95	72.53	70.86	70.86	70.58	70.58	69.73	69.73	66.79	62.24
Streetlights	5,369	5,167	5,136	5,085	5,061	5,035	5,019	4,979	4,844	4,760
Traffic Signals	41	41	41	41	41	41	40	36	36	36
Recreation and parks										
Acreage	638.45	638.45	638.45	638.45	638.45	638.45	638.45	638.45	638.45	638.45
Playgrounds	22	22	22	22	22	21	21	21	21	21
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	15
Community centers	6	6	6	6	6	6	6	6	6	6
Water										
Water mains (miles)	438.65	434.50	396.50	388.30	372.60	393.77	390.00	388.76	387.29	385.82
Fire hydrants	2,670	2,451	2,425	2,226	2,208	2,256	2,196	2,190	2,284	2,064
Storage capacity (thousands of gallons)	14,900	14,000	14,000	14,000	14,000	14,000	14,000	4,500	4,500	4,500
Wastewater										
Sanitary sewers (miles)	418.97	413.29	368.10	362.40	361.70	387.79	386.36	385.06	384.36	383.70
Storm sewers (miles)	208.33	206.11	198.45	197.80	197.10	198.13	221.30	147.90	219.63	219.63
Treatment capacity (thousands of gallons per day)	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000

Sources: Various city departments.



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

*Advisors to
Management*

Independent Auditor's Report

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

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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, 2020, 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 30, 2020. The financial statements of the Burlington Downtown Corporation were not audited in accordance with Government Auditing Standards.

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.

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Our consideration of 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 & KINGS LLP

Burlington, North Carolina
November 30, 2020



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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 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City of Burlington's major federal programs for the year ended June 30, 2020. 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 federal and State statutes, regulations, and the terms and conditions of its federal awards 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, 2020.

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 & KINGS LLP

Burlington, North Carolina
November 30, 2020



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*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, 2020. 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 state statutes, regulations, and conditions of its state awards 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, 2020.

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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 McEDWARDS & KINGS LLP

Burlington, North Carolina
November 30, 2020

CITY OF BURLINGTON, NORTH CAROLINA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Fiscal Year Ended June 30, 2020

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:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
14.218	Community Development Block Grant
16.005	Federal Asset Forfeiture Funds
16.710	Public Safety Partnership and Community Policing Grant
20.507	Federal Transit Cluster

Dollar threshold used to distinguish 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, 2020

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.

CITY OF BURLINGTON, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2020

None

CITY OF BURLINGTON, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 For the Year Ended June 30, 2020

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass Through) Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
Federal Grants:				
Cash Programs:				
<u>U.S. Department of Housing and Urban Development:</u>				
Community Development				
Block Grant - Entitlement Grant	14.218	421,844		
Passed-through Greensboro Consortium:				
Home Investment Partnership Program	14.239	5,833		
<u>U.S. Department of Justice</u>				
Direct Program:				
Office of Justice:				
Federal Asset Forfeiture Funds	16.005	319,461		
Office of Community Oriented Policing Services:				
Public Safety Partnership and Community Policing Grant	16.710	324,863		
Passed-through North Carolina Department Of Public Safety:				
Edward Byrne Memorial Justice Assistance Grant	16.738	47,970		
Office of Victims of Crime:				
Passed-through Governor's Crime Commission Services for Trafficking Victims	16.320	84,418		
<u>U.S. Department of Transportation</u>				
Federal Transit Cluster:				
Section 5307 Capital FY17	20.507	283,777		
Section 5307 Capital & Operating FY18	20.507	92,452		
Section 5307 Capital & Operating FY19	20.507	533,540		
Passed-through North Carolina Department of Transportation:				
Highway Planning and Construction Grants:				
State Planning and Research	20.205-5	262,341		
Bicycle and Pedestrian Transportation Alternatives Program	20.205-4	56,000	14,000	
Federal Transit Technical Studies Grant	20.505	<u>20,000</u>	<u>2,500</u>	
Total assistance - federal programs		<u>2,452,499</u>	<u>16,500</u>	

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 For the Year Ended June 30, 2020

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass Through) Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
State Grants:				
Cash Assistance:				
<u>N.C. Department of Transportation:</u>				
Powell Bill			1,427,685	
Statewide Contingency			143,000	
State Maintenance Assistance for Urban And Small Urban Program			158,128	
<u>N.C. Housing Finance Agency:</u>				
Urgent Repair Program			19,113	
Total assistance - State programs			<u>1,747,926</u>	
Total assistance		<u>\$ 2,452,499</u>	<u>\$ 1,764,426</u>	<u>\$</u>

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, 2020. 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, 2020

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

Type of Fund	Computes "X" if Meets			Liabilities	Computes "X" if Meets			Revenue	Computes "X" if Meets			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
	Assets	10% Rule	5% Rule		10% Rule	5% Rule	10% Rule		5% Rule						
General Fund	34,136,360	N/A	N/A	4,184,761	N/A	N/A	58,792,835	N/A	N/A	N/A	56,363,910	N/A	N/A	YES, ALWAYS MAJOR	
Special Revenue Funds:															
MPO Planning/trans.	787,679	-	-	27,657	-	-	249,685	-	-	-	275,801	-	-	-	
Capital Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Substance Abuse	25,810	-	-	2,501	-	-	13,271	-	-	-	44,409	-	-	-	
Rico	222,872	-	-	3,966	-	-	102,636	-	-	-	319,461	-	-	-	
Home Program	6,772,770	X	-	2,684,375	X	-	248,810	-	-	-	6,921	-	-	MAJOR	
Community Dev.	14,778	-	-	11,188	-	-	446,210	-	-	-	421,833	-	-	-	
Downtown	61,660	-	-	61,660	-	-	150,127	-	-	-	150,127	-	-	-	
Guilford Mackintosh	38,139	-	-	36,139	-	-	174,520	-	-	-	174,520	-	-	-	
Rehab Loan	1,856,008	-	-	-	-	-	15,219	-	-	-	(6,529)	-	-	-	
Medicare Part D	212	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bureau of Justice Asst. Comm. Oriented Policing	-	-	-	162,994	-	-	185,082	-	-	-	324,863	-	-	-	
Governor's Crime Commission Human Trafficking	52,959	-	-	3,492	-	-	151,199	-	-	-	84,418	-	-	-	
Edward Byrne Justice Assistance	68,941	-	-	-	-	-	63,785	-	-	-	47,970	-	-	-	
Rental Rehab	562,593	-	-	10,635	-	-	8,541	-	-	-	66,354	-	-	-	
Old City Solid Waste Landfill	-	-	-	50,043	-	-	-	-	-	-	50,043	-	-	-	
Governors Crime Commission YDDP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Special Revenue	10,462,421	-	-	3,054,650	-	-	1,809,085	-	-	-	1,960,191	-	-	Transfers is the only major activity not a stand alone fund	
Debt Service Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Projects Funds:															
ERP System	318,888	-	-	-	-	-	-	-	-	-	181,320	-	-	-	
Trans Sidewalk & Intersections	4,359,480	-	-	-	-	-	277,473	-	-	-	491,311	-	-	-	
Animal Shelter	-	-	-	2,526,472	-	-	750,000	-	-	-	1,072,422	-	-	-	
Front St Greenway/Bikeway	265,986	-	-	-	-	-	-	-	-	-	505,150	-	-	-	
Dentzel Carousel Restoration Project	1,155,479	-	-	-	-	-	40,000	-	-	-	339,167	-	-	-	
North Park Pool Project	1,078,815	-	-	266,554	-	-	8,350	-	-	-	2,714,901	-	-	-	
Willowbrook Park Arboretum	-	-	-	112,989	-	-	-	-	-	-	365,956	-	-	-	
Street Resurfacing Project	2,387,353	-	-	22,353	-	-	-	-	-	-	-	-	-	-	
Total Capital Projects	9,566,001	-	-	2,928,368	-	-	1,075,823	-	-	-	5,670,227	-	-	-	
Total Governmental Funds	54,164,762	-	-	10,167,779	-	-	61,677,743	-	-	-	63,994,328	-	-	-	
10% of Total Governmental Funds	5,416,476	-	-	1,016,778	-	-	6,167,774	-	-	-	6,399,433	-	-	-	
Enterprise Funds:															
Water and Sewer	225,404,193	X	X	37,602,299	X	X	30,034,324	X	X	X	26,167,718	X	X	MAJOR	
Storm Water	5,694,814	-	-	146,551	-	-	1,468,332	-	-	-	849,785	-	-	-	
Public Transportation	315,643	-	-	2,472,951	-	-	1,420,698	-	-	-	1,833,284	-	-	-	
Total Enterprise Funds	231,414,650	-	-	40,221,801	-	-	32,923,354	-	-	-	28,850,787	-	-	-	
10% of Total Enterprise Funds	23,141,465	-	-	4,022,180	-	-	3,292,335	-	-	-	2,885,079	-	-	-	
Total Governmental & Enterprise Funds	285,579,432	-	-	50,389,580	-	-	94,601,097	-	-	-	92,845,115	-	-	-	
5% of Total Governmental & Enterprise Funds	14,278,972	-	-	2,519,479	-	-	4,730,055	-	-	-	4,642,256	-	-	-	