



## CITY OF BURLINGTON

### Finance Department

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August 16, 2019

Sitzberger & Company, S.C.  
326 Center Street  
Lake Geneva, Wisconsin 53147

This representation letter is provided in connection with your audit of the financial statements of the City of Burlington, which comprise the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of August 1, 2019, the following representations made to you during your audit.

#### Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 26, 2018, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the accounts.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the City of Burlington is contingently liable, if any, have been properly recorded or disclosed.

### **Information Provided**

- 11) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the City and involves:
  - a) Management,
  - b) Employees who have significant roles in internal control, or
  - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions of which we are aware.

### **Government - specific**

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 21) The City has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows or resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 23) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 24) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 28) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 29) The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 30) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 31) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.
- 32) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

- 33) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 34) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 35) Provisions for uncollectible receivables have been properly identified and recorded.
- 36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 37) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 38) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 39) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 40) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 41) We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position is properly recognized under the policy.
- 42) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 43) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 44) With respect to the supplementary information:
  - a) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - b) If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Signature: \_\_\_\_\_

*Carina G. Watters*

City Administrator

Signature: \_\_\_\_\_

*Steven J. LeBucher*  
City Finance Director



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To the City Council  
City of Burlington, Wisconsin

We have audited the 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 for the year ended December 31, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 26, 2018. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Burlington are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the useful life of capital assets and the value of retirement obligations.

Management's estimate of the useful life of capital assets and the value of retirement obligations is based on past experience. We evaluated the key factors and assumptions used to develop the useful life of capital assets and value of retirement obligations in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

To the City Council  
City of Burlington, Wisconsin

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material adjustments needed as a result of audit procedures were corrected by management:

Recording the PSC required tax equivalent - \$500,310  
Record municipal court fees and fines - \$118,150  
Record transfer to debt service fund - \$159,482  
Record current year tax revenue - \$11,706,008  
Record capital asset additions - \$364,710  
Record joint meter cost allocation - \$51,562  
Adjustment to airport fuel inventory - \$37,068  
Record additional airport accounts receivable - \$16,705  
Reclassify chipper lease to debt service fund - \$30,964  
Record transfer of increment share to ER TIF - \$1,599,332  
Record closure entries for TIF #1 - \$621,208  
Record closure entries for TIF #3 - \$2,159,143  
Reclassify water fund bond proceeds - \$88,179  
Record water and sewer depreciation expense - \$2,296,353

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated August 1, 2019.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City of Burlington auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

To the City Council  
City of Burlington, Wisconsin

Other Matters

We applied certain limited procedures to the required supplementary information (RSI), as listed in the table of contents that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information as listed in the table of contents which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the City of Burlington and management of the City of Burlington and is not intended to be and should not be used by anyone other than these specified parties.

*Sitzberger & Company, S.C.*

Sitzberger & Company, S.C.  
Lake Geneva, Wisconsin  
August 1, 2019



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To the City Council  
City of Burlington, Wisconsin

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Burlington (“City”) as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the City’s internal control over financial reporting (internal control) as a basis for designing 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’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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. We consider the following deficiency in the City’s internal control to be a material weakness:

#### **MATERIAL AUDIT ADJUSTMENTS**

During the course of our audit, we proposed a number of adjusting journal entries that were required to prevent the financial statements from being materially misstated. We recommend that management review the nature of these entries in order to determine if these adjustments could be made prior to the audit.

A significant deficiency is a deficiency, or 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. We consider the following deficiencies in the City’s internal control to be significant deficiencies:

#### **SEGREGATION OF DUTIES**

Under ideal conditions, there are many procedures and controls designed to limit the access of any one individual to all phases of a transaction. Many entities the size of the City do not have a large enough administrative staff to adequately segregate the various procedures from any one individual. Management should constantly be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. Because the overlapping responsibilities exist, you need to rely on your direct knowledge of the City’s operations and trust in and have contact with employees to control and safeguard assets. This may continue to be an acceptable method for you to use for years to come.

To the City Council  
City of Burlington, Wisconsin

## **PREPARATION OF FINANCIAL STATEMENTS**

The City Council and management share the ultimate responsibility for the City's internal control. It is acceptable to outsource various accounting functions; however the responsibility for internal control cannot be outsourced.

The City engages Sitzberger & Company, S.C. to assist in the preparation of the City's financial statements and accompanying disclosures. However as independent auditors, Sitzberger & Company, S.C. cannot be considered part of the City's internal control. The City Council should design and implement a review procedure to ensure that the financial statements and disclosures are complete and accurate. These review procedures should be performed by an individual possessing a thorough understanding of applicable generally accepted accounting principles and knowledge of the City's activities and operations.

During our audit, we also became aware of the following deficiencies in internal control other than significant deficiencies or material weaknesses, and other matters that are opportunities for strengthening internal controls and operating efficiency of the City.

### **FDIC Insurance**

You may note that at December 31, 2018 the City had significant amounts of deposits in excess of the FDIC insurance limits. We note that the City does collateralize various deposits through Bank of America. When taking these factors into account, we noted the City was carrying uncollateralized and uninsured deposits of \$1,401,712 as of December 31, 2018. At minimum we would advise the City to look at its options to maximize insurance coverage and collateral of its deposits.

### **Interfund Balances**

During the audit we noted some large interfund balances between certain funds of the City. The outstanding balances between funds results mainly from the time lag between the dates that interfund goods and services are provided or reimbursable expenses occur; transactions are recorded in the accounting system; and payments between funds are made. The City should review these balances and ensure repayment schedules are created. Please see Note F to the financial statements for additional information regarding these interfund balances.

### **Self-Insurance Fund Deficit Balance**

The City maintains a separate "internal service" fund to account for charges made to City departments for employee insurance premiums and payments made for medical and dental claims incurred. Due to significant claims paid in recent years, including \$1,317,201 in 2018, the deficit fund balance in the fund decreased from \$244,117 to \$145,165. The deficit balance effects the General Fund as the deficit is financed by this fund. Management should review these amounts to ensure they are appropriate to eliminate this deficit in future years.

### **Infrastructure Capital Projects Fund Deficit Balance**

The Infrastructure Capital Projects Fund reported a deficit (negative) fund balance of \$1,100,553 at December 31, 2018 and of \$1,051,735 at December 31, 2017 and similar negative balances since 2014. The deficit balance, consequently, effects the fund balance of the City's General Fund as the deficit is financed by that fund. Although previous audit management letters reviewed by us have discussed the deficit fund balance of the Infrastructure Capital Projects Fund, we believe its significance to the financial statements warrants repeated discussion.

To the City Council  
City of Burlington, Wisconsin

**Implementation of Statement No. 84, Fiduciary Activities**

The Governmental Accounting Standards Board (GASB) issued Statement No. 84 *Fiduciary Activities* in January 2017. This statement provides criteria for state and local governments to use to identify whether an activity is fiduciary and should be reported as a fiduciary fund type in the basic financial statements. This will include amongst other activities, the tax collection responsibilities of the municipality as well as municipal courts, if any. GASB Statement No. 84 also allows for a government to use a fiduciary fund for pass-through grants where the government does not have administrative or direct financial involvement with the grant. Thorough consideration will be necessary to ensure all activities that are fiduciary are identified and reported in accordance with this GASB statement. This statement will be effective for the 2019 audit period.

This communication is intended solely for the information and use of management, the City Council and others within the organization, and is not intended and should not be used by anyone other than these specified parties.

Sincerely,

*Sitzberger & Company, S.C.*

Sitzberger & Company, S.C.  
Lake Geneva, Wisconsin  
August 1, 2019

**CITY OF BURLINGTON**

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**INDEPENDENT AUDITORS' REPORT  
AND  
FINANCIAL STATEMENTS**

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**YEAR ENDED DECEMBER 31, 2018**

**CITY OF BURLINGTON**

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**CITY OF BURLINGTON**

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## **INDEPENDENT AUDITORS' REPORT**

To the City Council  
City of Burlington, Wisconsin

We have audited 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, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Burlington's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Burlington as of December 31, 2018, and the respective changes in financial position and, where applicable, the cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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7040 N. Green Bay Ave, Milwaukee, WI 53209 | Phone: 414.351.5511 | Fax: 414.351.6696

To the City Council  
City of Burlington, Wisconsin

**Emphasis of a Matter**

As described in Note N to the financial statements, the December 31, 2017 financial statement have been restated to correct a misstatement in the reporting of Wisconsin Retirement System pension benefits. Our opinion is not modified with respect to this matter.

**Other Matters**

*Required Supplementary Information*

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

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Burlington's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

This supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Long-Term Debt Schedules as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Sitzberger & Company, S.C.*

Sitzberger & Company, S.C.  
Lake Geneva, Wisconsin  
August 1, 2019

CITY OF BURLINGTON  
STATEMENT OF NET POSITION  
DECEMBER 31, 2018

	Primary Government		Totals	Component Unit
	Governmental Activities	Business-type Activities		Housing Authority
<b><u>ASSETS</u></b>				
Cash and investments	\$ 2,680,468	\$ 3,613,571	\$ 6,294,039	\$ 62,791
Receivables:				
Tax levy	8,169,305	-	8,169,305	-
Accounts and other	707,585	1,334,749	2,042,334	301
Special assessments	4,233	142,968	147,201	-
Internal balances	438,886	(438,886)	-	-
Inventories	-	69,214	69,214	-
Prepayments	65,211	1,870	67,081	14,650
Restricted Assets - cash and investments	4,438,345	419,352	4,857,697	187,905
Notes receivable	1,783,856	-	1,783,856	-
Other deferred debits	-	654	654	-
Capital Assets:				
Land	24,089,365	1,164,332	25,253,697	87,236
Other capital assets, net of depreciation	34,878,868	42,083,143	76,962,011	2,100,884
Net pension asset	917,221	174,190	1,091,411	8,668
<b>TOTAL ASSETS</b>	<b>78,173,343</b>	<b>48,565,157</b>	<b>126,738,500</b>	<b>2,462,435</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>				
Deferred outflows related to pension	1,700,443	322,930	2,023,373	17,728
<b><u>LIABILITIES</u></b>				
Accounts payable and other accrued expenses	601,753	377,506	979,259	13,139
Accrued interest payable	122,514	18,877	141,391	1,308
Deposits held	30,825	-	30,825	36,364
Long-term obligations, due in one year	2,995,082	1,107,381	4,102,463	29,568
Liabilities Payable from Restricted Assets:				
Accrued interest payable	-	45,938	45,938	-
Non-current Liabilities:				
Long-term obligations, due in more than one year	18,805,883	13,925,967	32,731,850	2,171,283
Compensated absences	229,643	56,991	286,634	-
<b>TOTAL LIABILITIES</b>	<b>22,785,700</b>	<b>15,532,660</b>	<b>38,318,360</b>	<b>2,251,662</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Property taxes	8,604,000	-	8,604,000	-
Deferred inflows related to pension	1,805,750	342,929	2,148,679	17,067
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>10,409,750</b>	<b>342,929</b>	<b>10,752,679</b>	<b>17,067</b>
<b><u>NET POSITION</u></b>				
Net investment in capital assets	37,167,268	28,214,127	65,381,395	71,762
Restricted for debt service	4,409,866	419,352	4,829,218	-
Restricted for capital projects	418,631	-	418,631	-
Restricted for revolving loan	28,479	-	28,479	-
Restricted for pension	811,914	154,191	966,105	9,329
Restricted for Housing Authority	-	-	-	151,541
Unrestricted	3,842,178	4,224,828	8,067,006	(21,198)
<b>TOTAL NET POSITION</b>	<b>\$ 46,678,336</b>	<b>\$ 33,012,498</b>	<b>\$ 79,690,834</b>	<b>\$ 211,434</b>

See accompanying notes.

CITY OF BURLINGTON  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit Housing Authority
					Governmental Activities	Business-type Activities	Totals	
<b>PRIMARY GOVERNMENT</b>								
<u>GOVERNMENTAL ACTIVITIES</u>								
General government	\$ 1,173,385	\$ 696,838	\$ -	\$ -	\$ (476,547)	\$ -	\$ (476,547)	\$ -
Public safety	4,467,534	512,315	113,935	-	(3,841,284)	-	(3,841,284)	-
Public works	3,228,251	2,334	637,313	89,673	(2,498,931)	-	(2,498,931)	-
Health and human services	85,798	-	-	-	(85,798)	-	(85,798)	-
Culture, recreation, and education	1,722,135	27,386	368,658	4,000	(1,322,091)	-	(1,322,091)	-
Conservation and development	293,453	25,707	-	-	(267,746)	-	(267,746)	-
Interest and fiscal charges	575,219	-	-	-	(575,219)	-	(575,219)	-
Other	228,596	-	-	-	(228,596)	-	(228,596)	-
<b>TOTAL GOVERNMENTAL</b>	<b>11,774,371</b>	<b>1,264,580</b>	<b>1,119,906</b>	<b>93,673</b>	<b>(9,296,212)</b>	<b>-</b>	<b>(9,296,212)</b>	<b>-</b>
<u>BUSINESS-TYPE ACTIVITIES</u>								
Water	1,778,574	2,398,785	-	17,262	-	637,473	637,473	-
Sewer	3,602,250	3,291,547	-	47,850	-	(262,853)	(262,853)	-
Airport	765,692	763,401	-	-	-	(2,291)	(2,291)	-
<b>TOTAL BUSINESS-TYPE</b>	<b>6,146,516</b>	<b>6,453,733</b>	<b>-</b>	<b>65,112</b>	<b>-</b>	<b>372,329</b>	<b>372,329</b>	<b>-</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>17,920,887</b>	<b>7,718,313</b>	<b>1,119,906</b>	<b>158,785</b>	<b>(9,296,212)</b>	<b>372,329</b>	<b>(8,923,883)</b>	<b>-</b>
<u>COMPONENT UNIT</u>								
Housing Authority	\$ 475,136	\$ 329,645	\$ 82,290	\$ -				(63,201)
<u>GENERAL REVENUES AND TRANSFERS</u>								
Property taxes levied for general purposes					11,761,690	-	11,761,690	-
Franchise taxes					142,664	-	142,664	-
Public accommodation taxes					134,991	-	134,991	-
Payments in lieu of taxes					40,896	-	40,896	-
Intergovernmental revenues not restricted to specific programs					501,804	-	501,804	-
Property rents					59,804	-	59,804	-
(Loss) on sale of capital assets					(9,906)	-	(9,906)	(1,859)
Unrestricted investment earnings					233,826	47,016	280,842	878
Transfers					525,310	(525,310)	-	-
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>					<b>13,391,079</b>	<b>(478,294)</b>	<b>12,912,785</b>	<b>(981)</b>
<b>CHANGE IN NET POSITION</b>					<b>4,094,867</b>	<b>(105,965)</b>	<b>3,988,902</b>	<b>(64,182)</b>
<b>NET POSITION - BEGINNING OF YEAR</b>					<b>41,533,467</b>	<b>32,919,058</b>	<b>74,452,525</b>	<b>275,616</b>
Prior Period Adjustment					1,050,002	199,405	1,249,407	-
<b>NET POSITION - BEGINNING OF YEAR, AS RESTATED</b>					<b>42,583,469</b>	<b>33,118,463</b>	<b>75,701,932</b>	<b>275,616</b>
<b>NET POSITION - END OF YEAR</b>					<b>\$ 46,678,336</b>	<b>\$ 33,012,498</b>	<b>\$ 79,690,834</b>	<b>\$ 211,434</b>

See accompanying notes.

CITY OF BURLINGTON  
BALANCE SHEETS  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2018

	General	TIF No. 3	Capital Projects			Other Governmental Funds	Total Governmental Funds
		Debt Service	TIF No. 5	General	Infrastructure		
<b>ASSETS</b>							
Cash and investments	\$ 467,528	\$ -	\$ 35,211	\$ 369,169	\$ 443,507	\$ 2,161,476	\$ 3,476,891
Receivables:							
Tax levy	6,271,587	-	201,700	-	-	1,696,018	8,169,305
Accounts and other	43,472	-	660,045	-	-	-	703,517
Special assessments	4,233	-	-	-	-	-	4,233
Due from other funds	477,685	-	-	-	-	-	477,685
Prepayments	65,211	-	-	-	-	-	65,211
Restricted Assets:							
Cash and investments	-	2,181,075	-	-	-	2,257,270	4,438,345
Advances to other funds	1,544,060	-	-	-	-	-	1,544,060
Notes receivable	869,683	-	-	-	-	914,173	1,783,856
<b>TOTAL ASSETS</b>	<b>9,743,459</b>	<b>2,181,075</b>	<b>896,956</b>	<b>369,169</b>	<b>443,507</b>	<b>7,028,937</b>	<b>20,663,103</b>
<b>LIABILITIES</b>							
Accounts payable and accrued expenses	468,516	-	86	2,708	-	20,009	491,319
Deposits held	30,825	-	-	-	-	-	30,825
Advances from other funds	-	-	-	-	1,544,060	-	1,544,060
<b>TOTAL LIABILITIES</b>	<b>499,341</b>	<b>-</b>	<b>86</b>	<b>2,708</b>	<b>1,544,060</b>	<b>20,009</b>	<b>2,066,204</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred revenue	6,706,282	-	844,700	-	-	2,610,191	10,161,173
Deferred special assessments	8,425	-	-	-	-	-	8,425
<b>TOTAL DEFERRED     INFLOWS OF RESOURCES</b>	<b>\$ 6,714,707</b>	<b>\$ -</b>	<b>\$ 844,700</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,610,191</b>	<b>\$ 10,169,598</b>

See accompanying notes.

CITY OF BURLINGTON  
BALANCE SHEETS - CONTINUED  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2018

	General	TIF No. 3	Capital Projects		Other Governmental Funds	Total Governmental Funds
		Debt Service	TIF No. 5	General		
<b><u>FUND BALANCES</u></b>						
Nonspendable for:						
Prepayments	\$ 65,211	\$ -	\$ -	\$ -	\$ -	\$ 65,211
Net advances to other funds	1,544,060	-	-	-	-	1,544,060
Restricted	-	2,181,075	52,170	366,461	2,257,270	4,856,976
Assigned	-	-	-	-	2,141,467	2,141,467
Unassigned	920,140	-	-	-	(1,100,553)	(180,413)
<b>TOTAL FUND BALANCES</b>	<b><u>2,529,411</u></b>	<b><u>2,181,075</u></b>	<b><u>52,170</u></b>	<b><u>366,461</u></b>	<b><u>4,398,737</u></b>	<b><u>8,427,301</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 9,743,459</u></b>	<b><u>\$ 2,181,075</u></b>	<b><u>\$ 896,956</u></b>	<b><u>\$ 369,169</u></b>	<b><u>\$ 7,028,937</u></b>	<b><u>\$ 20,663,103</u></b>

See accompanying notes.

CITY OF BURLINGTON  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
YEAR ENDED DECEMBER 31, 2018

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 8,427,301

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds as assets.

Capital assets	92,081,014	
Accumulated depreciation	<u>(33,112,781)</u>	58,968,233

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.

Deferred revenue		1,565,598
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The City's proportionate share of the Wisconsin Retirement System net pension asset is reported on the statement of net position, but is not reported in the governmental funds.

917,221

Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.

1,700,443

Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.

(1,805,750)

Long-term debt and related items are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Long-term liabilities at year end consist of:

Notes and bonds payable	(21,800,965)	
Compensated absences	<u>(229,643)</u>	(22,030,608)

Accrued interest payable on debt is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.

(122,514)

Internal service funds are used by management to charge the costs of health and dental insurance benefits to individual funds. The assets and liabilities of this fund are included in governmental activities in the statement of net position.

(941,588)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES

\$ 46,678,336

See accompanying notes.

CITY OF BURLINGTON  
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2018

	General	TIF No. 3	Capital Projects			Other Governmental Funds	Total Governmental Funds
		Debt Service	TIF No. 5	General	Infrastructure		
<b>REVENUES</b>							
General property taxes	\$ 5,186,631	\$ 4,573,829	\$ 378,943	\$ -	\$ -	\$ 1,622,287	\$ 11,761,690
Payments in lieu of taxes	40,896	-	-	-	-	-	40,896
Room tax and other taxes	134,991	-	-	-	-	-	134,991
Intergovernmental	1,183,945	-	-	89,673	-	305,717	1,579,335
Licenses and permits	517,611	-	-	-	-	-	517,611
Fines and forfeitures	241,503	-	-	-	-	-	241,503
Charges for services	60,638	-	-	-	-	16,065	76,703
Special assessments	23,234	-	-	-	-	-	23,234
Investment income	117,844	3,582	8,844	50,844	6,557	46,156	233,827
Repayments of note receivable principal	-	-	-	-	-	992,881	992,881
Other	640,593	-	1,260,776	-	-	128,104	2,029,473
<b>TOTAL REVENUES</b>	<b>8,147,886</b>	<b>4,577,411</b>	<b>1,648,563</b>	<b>140,517</b>	<b>6,557</b>	<b>3,111,210</b>	<b>17,632,144</b>
<b>EXPENDITURES</b>							
Current:							
General government	1,084,320	3,363	2,412	-	-	1,530	1,091,625
Public safety	4,113,765	-	-	-	-	33,263	4,147,028
Public works	1,903,945	-	-	-	55,375	-	1,959,320
Health and human services	85,798	-	-	-	-	-	85,798
Culture, recreation, and education	571,926	-	-	-	-	815,741	1,387,667
Conservation and development	245,377	-	-	-	-	48,076	293,453
Capital outlay	-	-	1,500	4,295,929	-	176,555	4,473,984
Debt Service:							
Principal	-	2,350,000	775,000	-	-	933,404	4,058,404
Interest and fiscal charges	-	89,300	67,141	-	-	493,478	649,919
<b>TOTAL EXPENDITURES</b>	<b>8,005,131</b>	<b>2,442,663</b>	<b>846,053</b>	<b>4,295,929</b>	<b>55,375</b>	<b>2,502,047</b>	<b>18,147,198</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>							
	\$ 142,755	\$ 2,134,748	\$ 802,510	\$(4,155,412)	\$ (48,818)	\$ 609,163	\$ (515,054)

See accompanying notes.

CITY OF BURLINGTON  
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CONTINUED  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2018

	General	TIF No. 3	Capital Projects			Other Governmental Funds	Total Governmental Funds
		Debt Service	TIF No. 5	General	Infrastructure		
<u>OTHER FINANCING SOURCES (USES)</u>							
Transfers in	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 1,953,285	\$ 1,978,285
Transfers out	(353,953)	(1,599,332)	-	-	-	-	(1,953,285)
Water utility tax equivalent	500,310	-	-	-	-	-	500,310
Refunds to overlying districts	-	(1,277,781)	-	-	-	-	(1,277,781)
TOTAL OTHER FINANCING SOURCES (USES)	<u>171,357</u>	<u>(2,877,113)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,953,285</u>	<u>(752,471)</u>
NET CHANGE IN FUND BALANCES	314,112	(742,365)	802,510	(4,155,412)	(48,818)	2,562,448	(1,267,525)
FUND BALANCES - BEGINNING OF YEAR	<u>2,215,299</u>	<u>2,923,440</u>	<u>(750,340)</u>	<u>4,521,873</u>	<u>(1,051,735)</u>	<u>1,836,289</u>	<u>9,694,826</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,529,411</u>	<u>\$ 2,181,075</u>	<u>\$ 52,170</u>	<u>\$ 366,461</u>	<u>\$ (1,100,553)</u>	<u>\$ 4,398,737</u>	<u>\$ 8,427,301</u>

See accompanying notes.

CITY OF BURLINGTON  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2018

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (1,267,525)

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

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 outlays exceeded depreciation in the current period.

Capital outlays	4,359,318	
Depreciation expense	<u>(1,836,997)</u>	2,522,321

In the statement of activities, losses on the sale of capital assets are shown, whereas in the governmental funds only the proceeds on the sale (if any) are shown.

Loss on disposal of capital assets		(9,906)
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Changes in the net pension liability (asset) and related deferred inflows and outflows or resources as a result of employer contributions, changes in assumptions and proportionate share and the difference between the expected and actual experience of the plan.

(112,078)

Long-term receivables not available are reported as revenue in the fund financial statements when collected or currently available, but are recognized as revenue when earned in the government-wide financial statements.

Notes receivable transactions		(1,106,567)
Special assessments transactions		(7,892)

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, however, has any effect on net position.

Principal payments on long-term debt		4,058,404
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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.

Changes in interest accrued on long-term debt		74,700
Changes in compensated absences		19,586

The net revenue of internal service fund activity is reported with governmental activities.

(76,176)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 4,094,867

See accompanying notes.

CITY OF BURLINGTON  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>REVENUES</u>			
General property taxes	\$ 5,186,631	\$ 5,186,631	\$ -
Payments in lieu of taxes	85,000	40,896	(44,104)
Room tax	115,000	134,900	19,900
Other taxes	200	91	(109)
Intergovernmental	1,138,097	1,183,945	45,848
Licenses and permits	426,050	517,611	91,561
Fines and forfeitures	130,000	241,503	111,503
Charges for services	92,500	60,638	(31,862)
Special assessments	15,000	23,234	8,234
Investment income	26,500	117,844	91,344
Other	11,000	640,593	629,593
TOTAL REVENUES	<u>7,225,978</u>	<u>8,147,886</u>	<u>921,908</u>
<u>EXPENDITURES</u>			
Current:			
General government	1,164,372	1,084,320	80,052
Public safety	4,400,925	4,113,765	287,160
Public works	2,063,211	1,903,945	159,266
Health and human services	86,163	85,798	365
Culture, recreation, and education	661,410	571,926	89,484
Conservation and development	289,120	245,377	43,743
TOTAL EXPENDITURES	<u>8,665,201</u>	<u>8,005,131</u>	<u>660,070</u>
EXCESS (DEFICIENCY) OF EXPENDITURES OVER REVENUES	<u>(1,439,223)</u>	<u>142,755</u>	<u>1,581,978</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	44,000	25,000	(19,000)
Transfers out	(234,775)	(353,953)	(119,178)
Water utility tax equivalent	480,000	500,310	20,310
TOTAL OTHER FINANCING SOURCES (USES)	<u>289,225</u>	<u>171,357</u>	<u>(117,868)</u>
CHANGES IN FUND BALANCES	(1,149,998)	314,112	<u>\$ 1,464,110</u>
FUND BALANCES - BEGINNING OF YEAR	<u>2,215,299</u>	<u>2,215,299</u>	
FUND BALANCES - END OF YEAR	<u>\$ 1,065,301</u>	<u>\$ 2,529,411</u>	

See accompanying notes.

CITY OF BURLINGTON  
STATEMENTS OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities -
	Water Utility	Sewer Utility	Airport	Totals	Internal Service Fund
<u>ASSETS</u>					
Current Assets:					
Cash and investments	\$ 604,534	\$ 1,685,075	\$ 527,539	\$ 2,817,148	\$ -
Customer accounts receivable	616,324	532,099	2,819	1,151,242	-
Special assessments receivable	33,539	109,429	-	142,968	-
Other receivables	92,833	90,674	-	183,507	4,068
Inventories	16,680	-	52,534	69,214	-
Prepaid expenditures	1,870	-	-	1,870	-
Total Current Assets	<u>1,365,780</u>	<u>2,417,277</u>	<u>582,892</u>	<u>4,365,949</u>	<u>4,068</u>
Non-current Assets:					
Restricted Assets:					
Cash and investments	216,373	202,979	-	419,352	-
Other Assets:					
Other deferred debits	-	654	-	654	-
Capital Assets:					
Land	260,027	778,671	125,634	1,164,332	-
Other capital assets, net of depreciation	17,735,966	22,998,364	1,348,813	42,083,143	-
Total Capital Assets	<u>17,995,993</u>	<u>23,777,035</u>	<u>1,474,447</u>	<u>43,247,475</u>	<u>-</u>
Net pension asset	73,234	100,956	-	174,190	-
TOTAL ASSETS	<u>19,651,380</u>	<u>26,498,901</u>	<u>2,057,339</u>	<u>48,207,620</u>	<u>4,068</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Deferred outflows related to pension	135,768	187,162	-	322,930	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 19,787,148</u>	<u>\$ 26,686,063</u>	<u>\$ 2,057,339</u>	<u>\$ 48,530,550</u>	<u>\$ 4,068</u>

See accompanying notes.

CITY OF BURLINGTON  
STATEMENTS OF NET POSITION - CONTINUED  
PROPRIETARY FUNDS  
DECEMBER 31, 2018

	Business-type Activities - Enterprise Funds				Governmental
	Water Utility	Sewer Utility	Airport	Totals	Activities - Internal Service Fund
<u>LIABILITIES</u>					
Current Liabilities:					
Accounts payable	\$ 178,777	\$ 109,280	\$ 50,157	\$ 338,214	\$ 110,434
Accrued payroll	15,461	23,831	-	39,292	-
Accrued interest payable	15,354	3,523	-	18,877	-
Due to general fund	438,886	-	-	438,886	38,799
Current general obligation bonds	50,000	40,000	-	90,000	-
Total Current Liabilities	<u>698,478</u>	<u>176,634</u>	<u>50,157</u>	<u>925,269</u>	<u>149,233</u>
Current Liabilities Payable from Restricted Assets:					
Current revenue bonds payable	327,281	690,100	-	1,017,381	-
Accrued interest payable	-	45,938	-	45,938	-
Total Current Liabilities Payable from Restricted Assets	<u>327,281</u>	<u>736,038</u>	<u>-</u>	<u>1,063,319</u>	<u>-</u>
Non-current Liabilities:					
Revenue bonds payable	2,645,703	9,710,264	-	12,355,967	-
General obligation bonds payable	760,000	810,000	-	1,570,000	-
Compensated absences	27,373	29,618	-	56,991	-
Total Non-current Liabilities	<u>3,433,076</u>	<u>10,549,882</u>	<u>-</u>	<u>13,982,958</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>4,458,835</u>	 <u>11,462,554</u>	 <u>50,157</u>	 <u>15,971,546</u>	 <u>149,233</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred inflows related to pension	<u>144,176</u>	<u>198,753</u>	<u>-</u>	<u>342,929</u>	<u>-</u>
<u>NET POSITION</u>					
Net investment in capital assets	14,213,009	12,526,671	1,474,447	28,214,127	-
Restricted for debt service	216,373	202,979	-	419,352	-
Restricted for pension	64,826	89,365	-	154,191	-
Unrestricted	689,929	2,205,741	532,735	3,428,405	(145,165)
TOTAL NET POSITION	<u>15,184,137</u>	<u>15,024,756</u>	<u>2,007,182</u>	<u>32,216,075</u>	<u>(145,165)</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	 <u>\$ 19,787,148</u>	 <u>\$ 26,686,063</u>	 <u>\$ 2,057,339</u>	 <u>\$ 48,530,550</u>	 <u>\$ 4,068</u>

See accompanying notes.

CITY OF BURLINGTON  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2018

	Business-type Activities - Enterprise Funds				Governmental
	Water Utility	Sewer Utility	Airport	Totals	Activities - Internal Service Fund
<u>OPERATING REVENUES</u>					
Charges for service	\$ 2,375,112	\$ 3,291,547	\$ -	\$ 5,666,659	\$ -
Fuel sales	-	-	666,897	666,897	-
Billings to departments	-	-	-	-	1,442,480
Other	22,167	-	96,504	118,671	22,576
TOTAL OPERATING REVENUES	<u>2,397,279</u>	<u>3,291,547</u>	<u>763,401</u>	<u>6,452,227</u>	<u>1,465,056</u>
<u>OPERATING EXPENSES</u>					
Operation and maintenance	1,040,487	1,724,216	122,357	2,887,060	-
Fuel for resale	-	-	551,403	551,403	-
Depreciation	652,066	1,664,930	82,573	2,399,569	-
Taxes	30,361	43,684	9,359	83,404	-
Insurance claims and administration	-	-	-	-	1,374,885
TOTAL OPERATING EXPENSES	<u>1,722,914</u>	<u>3,432,830</u>	<u>765,692</u>	<u>5,921,436</u>	<u>1,374,885</u>
OPERATING INCOME (LOSS)	<u>674,365</u>	<u>(141,283)</u>	<u>(2,291)</u>	<u>530,791</u>	<u>90,171</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>					
Investment income	18,462	28,554	-	47,016	8,781
Grant proceeds	15,561	-	-	15,561	-
Insurance proceeds	1,506	-	-	1,506	-
Interest expense	(96,290)	(303,836)	-	(400,126)	-
TOTAL NONOPERATING REVENUE (EXPENSE)	<u>(60,761)</u>	<u>(275,282)</u>	<u>-</u>	<u>(336,043)</u>	<u>8,781</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	<u>613,604</u>	<u>(416,565)</u>	<u>(2,291)</u>	<u>194,748</u>	<u>98,952</u>
Capital contributions - other	1,701	47,850	-	49,551	-
Transfers out	-	-	(25,000)	(25,000)	-
Tax equivalent to municipality	(500,310)	-	-	(500,310)	-
CHANGE IN NET POSITION	<u>114,995</u>	<u>(368,715)</u>	<u>(27,291)</u>	<u>(281,011)</u>	<u>98,952</u>
NET POSITION - BEGINNING OF YEAR	14,985,307	15,277,901	2,034,473	32,297,681	(244,117)
Prior Period Adjustment	83,835	115,570	-	199,405	-
NET POSITION - BEGINNING OF YEAR, AS RESTATED	<u>15,069,142</u>	<u>15,393,471</u>	<u>2,034,473</u>	<u>32,497,086</u>	<u>(244,117)</u>
NET POSITION - END OF YEAR	<u>\$ 15,184,137</u>	<u>\$ 15,024,756</u>	<u>\$ 2,007,182</u>	<u>32,216,075</u>	<u>\$ (145,165)</u>
Adjustment to reflect consolidation of internal service fund activities.				<u>796,423</u>	
NET POSITION OF BUSINESS-TYPE ACTIVITIES				<u>\$ 33,012,498</u>	

See accompanying notes.

CITY OF BURLINGTON  
 STATEMENTS OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED DECEMBER 31, 2018

	Business-type Activities - Enterprise Funds				Governmental
	Water Utility	Sewer Utility	Airport	Totals	Activities - Internal Service Fund
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>					
Receipts from customers and users	\$ 2,445,805	\$ 3,319,533	\$ 769,052	\$ 6,534,390	\$ -
Receipts from interfund services provided	-	-	-	-	1,460,988
Payments to suppliers	(262,879)	(746,009)	(637,243)	(1,646,131)	-
Payments to employees	(714,642)	(1,045,637)	-	(1,760,279)	-
Payments for interfund services used	-	-	-	-	(1,469,769)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,468,284	1,527,887	131,809	3,127,980	(8,781)
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>					
Transfers to other funds	(500,310)	-	(25,000)	(525,310)	-
NET CASH (USED) BY NONCAPITAL FINANCING ACTIVITIES	(500,310)	-	(25,000)	(525,310)	-
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>					
Capital contributions	1,701	47,850	-	49,551	-
Acquisition and construction of capital assets	(596,090)	(292,345)	-	(888,435)	-
Proceeds of debt	88,179	-	-	88,179	-
Grant and insurance proceeds	17,067	-	-	17,067	-
Principal paid on bonds / leases	(360,800)	(785,726)	-	(1,146,526)	-
Interest paid	(97,312)	(306,796)	-	(404,108)	-
Special assessment collections	10,157	24,099	-	34,256	-
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(937,098)	(1,312,918)	-	(2,250,016)	-
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>					
Investment income	18,462	28,554	-	47,016	8,781
NET CASH PROVIDED BY INVESTING ACTIVITIES	18,462	28,554	-	47,016	8,781
NET CHANGE IN CASH AND INVESTMENTS	49,338	243,523	106,809	399,670	-
CASH AND INVESTMENTS - BEGINNING OF YEAR	771,569	1,644,531	420,730	2,836,830	-
CASH AND INVESTMENTS - END OF YEAR	\$ 820,907	\$ 1,888,054	\$ 527,539	\$ 3,236,500	\$ -

See accompanying notes.

CITY OF BURLINGTON  
STATEMENTS OF CASH FLOWS - CONTINUED  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2018

	Business-type Activities - Enterprise Funds				Governmental
	Water	Sewer	Airport	Totals	Activities -
	Utility	Utility			Internal
	Utility	Utility	Airport	Totals	Service Fund
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET</u></b>					
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>					
Operating income (loss)	\$ 674,365	\$ (141,283)	\$ (2,291)	\$ 530,791	\$ 90,171
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	652,066	1,664,930	82,573	2,399,569	-
Depreciation charged to clearing account	23,400	(23,400)	-	-	-
(Increase) decrease in customer and other receivables	48,526	27,986	5,651	82,163	(4,068)
(Increase) decrease in inventories	3,309	-	(1,575)	1,734	-
(Increase) decrease in prepaid expenditures	(1,870)	-	-	(1,870)	-
(Increase) decrease in net pension and deferred items	8,948	12,336	-	21,284	-
Increase (decrease) in accounts payable	133,845	2,060	47,451	183,356	8,279
Increase (decrease) in accrued payroll	(23)	1,019	-	996	-
Increase (decrease) in deposits held	-	(3,000)	-	(3,000)	-
Increase (decrease) in due to other funds	(61,424)	-	-	(61,424)	(103,163)
Increase (decrease) in compensated absences payable	(12,858)	(12,761)	-	(25,619)	-
<b>NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b><u>1,468,284</u></b>	<b><u>1,527,887</u></b>	<b><u>131,809</u></b>	<b><u>3,127,980</u></b>	<b><u>(8,781)</u></b>
<b><u>RECONCILIATION OF CASH AND INVESTMENTS TO STATEMENT OF NET POSITION - PROPRIETARY FUNDS</u></b>					
Cash and investments reported as current assets	604,534	1,685,075	527,539	2,817,148	-
Cash and investments reported as restricted assets	216,373	202,979	-	419,352	-
<b>CASH AND INVESTMENTS - END OF YEAR</b>	<b><u>\$ 820,907</u></b>	<b><u>\$ 1,888,054</u></b>	<b><u>\$ 527,539</u></b>	<b><u>\$ 3,236,500</u></b>	<b><u>\$ -</u></b>

**NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES**

Capital additions of \$1,701 and \$47,850 were contributed to the water and sewer utilities, respectively, by developers.

See accompanying notes.

CITY OF BURLINGTON  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2018

	<u>Tax Roll</u>	<u>Municipal Court</u>	<u>Developers' Reimbursement</u>	<u>Totals</u>
<u>ASSETS</u>				
Cash and investments	\$ 6,499,158	\$ 13,123	\$ 7,824	\$ 6,520,105
Taxes receivable	6,215,093	-	-	6,215,093
TOTAL ASSETS	<u>12,714,251</u>	<u>13,123</u>	<u>7,824</u>	<u>12,735,198</u>
<u>LIABILITIES</u>				
Accounts payable	183,508	13,123	-	196,631
Due to county and state	3,325,709	-	-	3,325,709
Due to school and VTAE districts	9,205,034	-	-	9,205,034
Deposits held	-	-	7,824	7,824
TOTAL LIABILITIES	<u>12,714,251</u>	<u>13,123</u>	<u>7,824</u>	<u>12,735,198</u>
NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

CITY OF BURLINGTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note A - Summary of Significant Accounting Policies**

The basic financial statements of the City of Burlington (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below.

**Reporting Entity**

The City of Burlington is a municipal corporation governed by an elected mayor and eight-member council. The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization’s governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. Although it is a legally separate entity, standards set forth in Statement No. 61 of the Governmental Accounting Standards Board require that the financial statements of the Housing Authority of the City of Burlington be reported as a component unit of the City due to the appointment of its board of commissioners by the City’s mayor. The Housing Authority of the City of Burlington is reported as a discretely presented component unit to emphasize that it is an entity that is legally separate from the City. The financial information included in the statement of net position is as of the Housing Authority’s fiscal year end of August 31, 2018. Complete financial statements for the component unit may be obtained at its administrative offices:

Riverview Manor  
580 Madison Street  
Burlington, Wisconsin 53105

**Basis of Presentation**

**Government-Wide Financial Statements**

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees and charges for goods or services. Eliminations have been made to avoid double counting of internal activities of the City.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues.

CITY OF BURLINGTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note A - Summary of Significant Accounting Policies (continued)**

**Basis of Presentation (continued)**

Fund Financial Statements

Financial statements of the reporting entity are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund equity, revenues, and expenditure/expenses.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or proprietary fund that the City believes is particularly important to financial statement users may be reported as a major fund.

Major Governmental Funds

The City reports the following major governmental funds:

*General Fund* - accounts for the City's primary operating activities. It is used to account for and report all financial resources of the City except those required to be accounted for in another fund.

*TIF No. 3 Debt Service Fund* - accounts for the resources accumulated and payments made for principal and interest on long-term obligation debt of the City's Tax Incremental Financing District No. 3.

*TIF No. 5 Capital Projects Fund* - accounts for the financial resources segregated for the acquisition and construction of major capital facilities for the City's Tax Incremental Financing District No. 5. The City chose to classify this fund as major although it did not meet the criteria indicated above.

*General Capital Projects Fund* - accounts for the financial resources for the acquisition and construction of general capital projects for the City.

*Infrastructure Capital Projects Fund* - accounts for the financial resources segregated for the acquisition and construction of major infrastructure projects for the City.

CITY OF BURLINGTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note A - Summary of Significant Accounting Policies (continued)**

**Basis of Presentation (continued)**

Major Proprietary Funds

The City reports the following major proprietary funds:

*Sewer Utility Enterprise Fund* - accounts for the activities of operating the sewage treatment plant, sewage pumping stations, and collections systems.

*Water Utility Enterprise Fund* - accounts for the activities of operating the water distribution system.

*Airport Enterprise Fund* - accounts for the activities of the City's airport operations. The City chose to classify this fund as major although it did not meet the criteria indicated above.

Non-Major Funds

The City reports the following non-major governmental funds:

*Special Revenue Funds* - Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The City reports the following non-major special revenue funds:

- Library Operations
- Community Development Block Grant
- TIF No. 3 Revolving Loan
- Park Development
- Library Trust
- Police Donations
- Wehmhoff
- DeRozier

*General Debt Service Fund* - accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest except those required to be accounted for in another fund.

*Environmental TIF District Debt Service Fund* - accounts for the resources accumulated and payments made for principal and interest on long-term obligation debt of the City's Environmental Tax Increment Financing District No. 1.

*Capital Projects Funds* - Capital projects funds are used to account for financial resources segregated for the acquisition and construction of major capital facilities. The City reports the following non-major capital projects funds:

- Revolving Capital Projects
- Facade Grants

Additionally, the City reports the following fund types:

*Internal Service Fund* - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, on a cost reimbursement basis. The City's internal service fund accounts for the City's risk financing activities related to its employee health insurance medical claims.

CITY OF BURLINGTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note A - Summary of Significant Accounting Policies (continued)**

**Basis of Presentation (continued)**

*Agency Funds* - Trust and agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. For the City, the agency funds are:

Tax Roll Fund  
Municipal Court Bond Fund  
Developers' Reimbursement Fund

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

**Government-Wide Financial Statements**

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's Water and Sewer Utilities, and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Fund Financial Statements**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City which are not available, are recorded as receivables and deferred inflows of resources. Amounts received prior to the entitlement period are also recorded as deferred inflows of resources.

CITY OF BURLINGTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note A - Summary of Significant Accounting Policies (continued)**

**Fund Financial Statements (continued)**

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows of resources.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments, and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The preparation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes. Actual results could differ from those estimates.

**Cash and Investments**

The City's cash and investments are considered to be cash on hand, demand deposits, savings deposits, certificates of deposit, the Wisconsin Local Government Investment Pool and government agency securities. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows for the enterprise funds, cash equivalents are temporary cash investments with a maturity of three months or less at the date of purchase. Pooled bank accounts that are shared between its various accounting funds are maintained.

Investment of City funds are restricted by state statutes. Permitted investments for the City include any of the following:

- Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association which is authorized to transact business in Wisconsin.
- Bonds or securities of any county, drainage district, technical college district, city, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or by the Wisconsin Aerospace Authority.
- Bonds or securities issued or guaranteed by the federal government and its agencies.
- The local government investment pool.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

CITY OF BURLINGTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note A - Summary of Significant Accounting Policies (continued)**

**Receivables**

Accounts receivable in all funds report amounts that have arisen in the ordinary course of business and are stated net of allowances for uncollectable amounts.

Property taxes are levied in December on the assessed value as of the prior January 1. Property taxes are recorded as a receivable and deferred revenue in the appropriate fund in the year levied because the taxes are restricted to funding the succeeding year's budget appropriations. In addition to property taxes for the City, taxes are collected for and remitted to the state and county governments as well as the local school districts and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as deferred revenues and due to other governments on the statement of net position. Property tax payments received prior to year-end are reflected in the agency fund. Interest on delinquent property taxes is recognized as revenue when received.

Details of the City's property tax calendar for the 2018 tax levy follows:

Lien and levy dates	December 2018
Real estate collection due dates:	
First installment due	January 31, 2019
Second installment due	July 31, 2019
Personal property tax due in full	January 31, 2019
Final settlement with county	August 2019
Tax sale of 2018 delinquent real estate taxes	October 2021

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds and due to other funds on the balance sheet as appropriate. See Note H for additional information. For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**Inventories**

Inventories of the utility enterprise fund are generally used in the operation and maintenance of the Water Utility. The inventories are valued at cost using the first-in/first-out method (FIFO), which approximates market value. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

**Prepaid Items**

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items.

CITY OF BURLINGTON  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2018

**Note A - Summary of Significant Accounting Policies (continued)**

**Restricted Assets**

Cash and equivalents of the City's governmental and proprietary funds have been restricted for the following purposes:

	Governmental Funds	Proprietary Funds	Total
Bond reserve account	\$ -	\$ 216,373	\$ 216,373
Bond debt service fund	-	202,979	202,979
TIF No. 3 debt service	2,181,075	-	2,181,075
TIF No. 3 revolving loan	28,479	-	28,479
Environmental TIF debt service	2,228,791	-	2,228,791
Total Restricted Assets	<u>\$ 4,438,345</u>	<u>\$ 419,352</u>	<u>\$ 4,857,697</u>

**Capital Assets**

*Government Wide Statements* – In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of two years, except for certain assets of the Water and Sewer Utilities which may be capitalized at a lower cost. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation. The costs of maintenance and repairs that do not add to the value of the asset or extend the asset life are not capitalized. No interest was capitalized during the current year.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Buildings	50 – 75 Years
Land improvements	30 Years
Roads	30 Years
Other infrastructure	30 – 50 Years
Vehicles	5 – 10 Years
Office equipment	6 – 10 Years
Computer equipment	5 Years

*Fund Financial Statements* – In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

CITY OF BURLINGTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note A - Summary of Significant Accounting Policies (continued)**

**Compensated Absences**

City employees earn vacation time in varying amounts in accordance with City policy. All full-time employees are eligible for paid vacation annually on the anniversary of their date of hire. Payments for vacation will be made at rates in effect when the benefits are used. At December 31, 2018, the total vacation benefits accrued were \$34,452 for the governmental activities and \$8,050 for the business-type activities.

All regular full-time employees who have completed 30 calendar days of employment are eligible to earn sick leave at the rate of one day per month. Employees may accumulate sick leave to a maximum of 150 days. It is the City's policy to pay for unused sick leave upon retirement or death at a rate of \$50 per day or apply it to future retiree health insurance premiums at a rate of \$75 per day. The City determined its liability for accumulated sick pay benefits payable based on the option of applying \$75 per day toward health insurance premiums. The total sick leave benefits payable upon termination or retirement were approximately \$195,191 for the governmental activities and \$48,941 for the business-type activities.

All vested vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**Deferred Outflows / Inflows of Resources**

In addition to assets, the statement of net 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of resources related to the WRS net pension liability (asset), which is explained in more detail in Note I.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. The first item, property taxes, will be recognized as an inflow of resources in the subsequent year for which it was levied. The second item, deferred inflows related to the WRS net pension liability (asset), is explained in more detail in Note I. The City also has an additional type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental fund balance sheet. The governmental fund reports unavailable revenues from special assessments. This amount is deferred and recognized as an inflow of resources in the period the amount become available.

**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.

In the 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.

CITY OF BURLINGTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note A - Summary of Significant Accounting Policies (continued)**

**Pensions**

For purposes of measuring the net pension liability (assets), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Net Position and Fund Balances**

Equity is classified as Net Position and displayed in three components:

*Net Investment in Capital Assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation, and any capital related deferred outflows of resources and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.

*Restricted Net Position* - Consists of Net Position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

*Unrestricted Net Position* - Consists of Net Position which are available for appropriation and expenditure in future periods and are neither classified as restricted or as net investment in capital assets.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**Governmental Fund Financial Statements**

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Governmental fund balance is classified as nonspendable, restricted, committed, assigned, or unassigned. Following are descriptions of fund balance classifications.

*Restricted Fund Balance* - includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

*Assigned Fund Balance* - includes amounts that are constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. For governmental funds, other than the general fund, this is the residual amount within the fund that is not restricted or committed. Assignments of fund balance are created by the City Council.

*Committed Fund Balance* - includes amounts that can be used only for the specific purposes pursuant to constraints imposed by a formal action of the City Council, the City's highest level of decision-making authority. This formal action is a City Council resolution.

*Nonspendable Fund Balance* - includes amounts that cannot be spent because they are not in a spendable form and cannot be converted to cash or because they are legally or contractually required to remain intact.

CITY OF BURLINGTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note A - Summary of Significant Accounting Policies (continued)**

**Net Position and Fund Balances (continued)**

*Unassigned Fund Balance* - is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports an unassigned fund balance amount.

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) resources are available, it is the City's general policy to use restricted resources first.

When expenditures/expenses are incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the City's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

**Utility User Rates**

Water utility user rates currently in place were established by the Wisconsin Public Service Commission effective January 27, 2016. Sewer utility rates currently in place were approved by the City Council effective January 1, 2017.

**Note B - Stewardship, Compliance, and Accountability**

**Budgetary Information**

The City reviews and adopts its annual budget by December or earlier of the preceding year. The budgetary information included in the accompanying financial statements is comprised of the originally approved budget plus or minus approved revisions of budgeted revenues and expenditures. These budgets are adopted on a basis consistent with GAAP. Management control of the budgetary process has been established at the departmental level of expenditure. A department can be a fund, cost center, program or other activity for which control of expenditures is considered desirable. Budget appropriations for certain capital projects funds are project oriented, often possessing multi-year lives; consequently, budgeted capital projects expenditures are controlled through fund balances. The budget may be amended for supplemental appropriations periodically during the year. Budget changes require a two-thirds approval by the City Council. The 2018 general fund budget was not amended.

**General Fund Nonspendable Fund Balances**

The fund balance of the general fund at December 31, 2018 was nonspendable for the following:

	<u>Amount</u>
Prepaid expenditures	\$ 65,211
Advances to other funds	1,544,060
Total Nonspendable Fund Balance	<u>\$ 1,609,271</u>

CITY OF BURLINGTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note B - Stewardship, Compliance, and Accountability (continued)**

**Deficit Fund Equity**

The following individual fund had deficit fund balance as of December 31, 2018:

	Deficit
Infrastructure Capital Projects Fund	\$ (1,100,553)

The deficit fund balance in the infrastructure fund will be eliminated by future borrowing or general fund transfers.

**Utility Bond Covenant Compliance**

The 2011 Waterworks System Revenue Refunding Bonds, Series 2011A require the maintenance of a bond reserve account in the amount of \$205,000. This account was properly funded at December 31, 2018.

Resolutions for water and sewer revenue bonds also specify that a debt service fund be established for monthly deposits of principal and interest payments coming due. Monthly deposits to fund the calculated balances required at year end were not made; however, bond resolutions additionally stipulate that amounts transferred to the debt service fund be sufficient to pay principal and interest on bonds as the payments become due. All principal and interest payments on outstanding debt were made timely.

**Note C - Cash and Investments**

The City's cash and investments at December 31, 2018 consisted of the following:

	Carrying Amount	Bank Balance	Uncollateralized Uninsured Deposits	Associated Risks
Checking and savings accounts	\$ 17,096,409	\$ 18,123,208	\$ 1,401,712	Custodial
Local Government Investment Pool	125,872	125,872	-	Credit
Certificates of deposit	70,853	70,853	-	Custodial
Government agency securities	377,549	377,549	-	Credit
Petty cash	1,158	-	-	N/A
Total cash and investments	\$ 17,671,841	\$ 18,697,482	\$ 1,401,712	

The City's cash and investments are reported in the financial statements as follows:

Per Statement of Net Position	
Cash and investments	\$ 6,294,039
Restricted cash and investments	4,857,697
Per Statement of Fiduciary Net Position	
Tax Collection Fund	6,499,158
Municipal Court	13,123
Developer's Reimbursement Fund	7,824
Total cash and investments	\$ 17,671,841

CITY OF BURLINGTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note C - Cash and Investments (continued)**

The City addresses the following risks related to its cash and investments:

**Credit Risk**

The City has policies to minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:

- Limiting investments to the types of securities listed in the policy resolution.
- The common council shall by resolution each year approve the public depositories within the City that are deemed appropriate for use under the state and federal law.
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.
- Maintain balances with its banking financial institutions that do not exceed the combined amount FDIC insurance and State Deposit Guarantee Fund insurance, along with the amount of collateralized deposits per an agreement with its primary banking institution. However, deposits may temporarily exceed the insured and collateralized amounts during periods when property taxes are collected.

**Interest Rate Risk**

The City has policies to minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

**Custodial Risk**

The City has policies to minimize custodial risk, which is the risk that in the event of a financial institution failure, the City's deposits may not be returned to it, by:

- Maintaining a list of financial institutions, public depositories and broker/dealers authorized by resolution to provide deposit and investment services.
- All financial institutions, public depositories and broker/dealers authorized by resolution to provide deposit and investment services must supply as appropriate audited financial statements demonstrating compliance with state and federal capital adequacy guidelines.

The Federal Depositor's Insurance Corporation FDIC insures the deposits of the City in the amount of \$250,000 for demand deposits (interest-bearing and noninterest bearing) and \$250,000 in time and savings deposits (including NOW accounts). Deposits may exceed the amount of FDIC insurance available at certain times during the year due primarily to the collection of property taxes. In addition, the Wisconsin State Deposit Guarantee Fund provides coverage under state law of \$400,000 per public depositor and per public depository above the amount provided by the FDIC. This amount may not be realized given the size of the Guarantee Fund in relation to the pool of deposits it insures.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board and administered by the State of Wisconsin Department of the Treasury. Investments in the LGIP are not rated. The SIF is not registered and has no plans to register with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25.50. The SIF reports the fair value of its underlying assets annually. The City has the right to withdraw its funds in total on one day's notice. At December 31, 2018, the fair value of the City's share of the LGIP assets was substantially equal to the amount reported above.

CITY OF BURLINGTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note C - Cash and Investments (continued)**

Fair Value Measurements of Investments

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets and is described as follows:

- Level 1            Unadjusted quoted prices in active markets for identical assets or liabilities that a government can access at the measurement date.
- Level 2            Significant inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3            Significant unobservable inputs for an asset or liability.

	Fair Value Measurement Using			
	Level 1	Level 2	Level 3	Total
Government agency securities	\$ 377,549	\$ -	\$ -	\$ 377,549

**Note D - Receivables**

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report deferred inflows of resources in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and deferred inflows of resources reported in the governmental funds were as follows:

	Unavailable	Unearned
Property and other taxes receivable	\$ -	\$ 8,169,305
Water utility property tax equivalent	-	438,886
Special assessments not yet due (general fund)	8,425	-
Notes and accounts receivable	1,783,856	-
Total deferred / unearned revenue for governmental funds	\$ 1,792,281	\$ 8,608,191

The City has issued notes receivable which are due for the following purposes:

Purpose	Date of Issue	Interest Rate	Original Principal	Balance 12/31/2018
Environmental TIF Capital Projects	9/1/2010	7.00%	\$ 1,160,000	\$ 869,683
Community Development Block Grant	7/6/2010	2.00%	340,000	233,448
Community Development Block Grant	12/31/2011	2.00%	400,000	202,500
Community Development Block Grant	7/2/2013	0.00%	202,500	128,000
Community Development Block Grant	6/1/2015	Varies	28,410	5,536
TIF No. 3 Revolving Loan	1/24/2013	1.625%	175,000	165,215
TIF No. 3 Revolving Loan	7/1/2016	1.75%	70,000	43,888
TIF No. 3 Revolving Loan	12/31/2017	1.75%	140,000	135,586
Total				\$ 1,783,856

CITY OF BURLINGTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note E - Capital Assets**

**Governmental Activities**

Governmental capital asset activity for the year ended December 31, 2018 was as follows:

<b>Governmental Activities:</b>	Balance Beginning	Additions	Deletions	Balance Ending
Capital assets not being depreciated				
Land	\$ 24,083,170	\$ 6,195	\$ -	\$ 24,089,365
Construction in progress	1,208,454	-	1,208,454	-
Total capital assets not being depreciated	<u>25,291,624</u>	<u>6,195</u>	<u>1,208,454</u>	<u>24,089,365</u>
Capital assets being depreciated:				
Building and improvements	10,129,231	-	-	10,129,231
Land improvements & structures	3,469,845	-	-	3,469,845
Machinery and equipment	8,020,680	281,741	78,002	8,224,419
Infrastructure	40,878,320	5,289,836	-	46,168,156
Total capital assets being depreciated	<u>62,498,076</u>	<u>5,571,577</u>	<u>78,002</u>	<u>67,991,651</u>
Less: accumulated depreciation	<u>(31,333,882)</u>	<u>(1,836,997)</u>	<u>(58,096)</u>	<u>(33,112,783)</u>
Net capital assets being depreciated	<u>31,164,194</u>	<u>\$ 3,734,580</u>	<u>\$ 19,906</u>	<u>34,878,868</u>
Net governmental activities capital assets	<u>\$ 56,455,818</u>			<u>\$ 58,968,233</u>

Depreciation expense was charged to governmental activities of the City as follows:

General government	\$ 43,772
Public safety	288,518
Public works (includes depreciation of infrastructure)	1,212,017
Culture and recreation	292,690
Total governmental activities depreciation expense	<u>\$ 1,836,997</u>

CITY OF BURLINGTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note E - Capital Assets (continued)**

**Business-type Activities**

Capital asset activity in the business type activities for the year ended December 31, 2018 was as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
<b>Water Utility:</b>				
Capital assets not being depreciated				
Land	\$ 260,027	\$ -	\$ -	\$ 260,027
Construction in progress	765,691	113,567	879,258	-
Total capital assets not being depreciated	<u>1,025,718</u>	<u>113,567</u>	<u>879,258</u>	<u>260,027</u>
Capital assets being depreciated				
Buildings and improvements	3,069,562	-	-	3,069,562
Machinery and equipment	3,423,220	659,081	-	4,082,301
Infrastructure	19,084,316	702,701	70,425	19,716,592
Total capital assets being depreciated	<u>25,577,098</u>	<u>1,361,782</u>	<u>70,425</u>	<u>26,868,455</u>
Total capital assets	<u>26,602,816</u>	<u>1,475,349</u>	<u>949,683</u>	<u>27,128,482</u>
Less: accumulated depreciation	<u>(8,527,448)</u>	<u>(675,466)</u>	<u>(70,425)</u>	<u>(9,132,489)</u>
Capital assets net of depreciation	<u>\$ 18,075,368</u>	<u>\$ 799,883</u>	<u>\$ 879,258</u>	<u>\$ 17,995,993</u>
<b>Sewer Utility:</b>				
Capital assets not being depreciated				
Land	\$ 778,671	\$ -	\$ -	\$ 778,671
Construction in progress	-	258,560	258,560	-
Total capital assets not being depreciated	<u>778,671</u>	<u>258,560</u>	<u>258,560</u>	<u>778,671</u>
Capital assets being depreciated				
Buildings and system	27,156,174	-	-	27,156,174
Machinery and equipment	7,039,164	33,786	-	7,072,950
Infrastructure	16,949,402	258,560	130,000	17,077,962
Total capital assets being depreciated	<u>51,144,740</u>	<u>292,346</u>	<u>130,000</u>	<u>51,307,086</u>
Total capital assets	<u>51,923,411</u>	<u>550,906</u>	<u>388,560</u>	<u>52,085,757</u>
Less: accumulated depreciation	<u>(26,797,192)</u>	<u>(1,641,530)</u>	<u>(130,000)</u>	<u>(28,308,722)</u>
Sewer capital assets net of depreciation	<u>\$ 25,126,219</u>	<u>\$ (1,090,624)</u>	<u>\$ 258,560</u>	<u>\$ 23,777,035</u>

CITY OF BURLINGTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note E - Capital Assets (continued)**

Business-type Activities (continued)

<b>Airport:</b>	Balance Beginning	Additions	Deletions	Balance Ending
Capital assets not being depreciated				
Land	\$ 125,634	\$ -	\$ -	\$ 125,634
Total capital assets not being depreciated	<u>125,634</u>	<u>-</u>	<u>-</u>	<u>125,634</u>
Capital assets being depreciated:				
Buildings	627,810	-	-	627,810
Land improvements	2,054,267	-	-	2,054,267
Machinery and equipment	301,350	-	-	301,350
Total capital assets being depreciated	<u>2,983,427</u>	<u>-</u>	<u>-</u>	<u>2,983,427</u>
Total capital assets	<u>3,109,061</u>	<u>-</u>	<u>-</u>	<u>3,109,061</u>
Less: accumulated depreciation	<u>(1,552,041)</u>	<u>(82,573)</u>	<u>-</u>	<u>(1,634,614)</u>
Airport capital assets net of depreciation	<u>\$ 1,557,020</u>	<u>\$ (82,573)</u>	<u>\$ -</u>	<u>\$ 1,474,447</u>

Depreciation expense was charged to business-type activities of the City as follows:

Water Utility	\$ 675,466
Sewer Utility	1,641,530
Airport	<u>82,573</u>
Total business-type activities depreciation expense	<u>\$ 2,399,569</u>

CITY OF BURLINGTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note E - Capital Assets (continued)**

**Discretely Presented Component Unit**

Capital asset activity for the Housing Authority of the City of Burlington for the year ended August 31, 2018 follows:

	Balance Beginning	Additions	Deletions	Balance Ending
<b>Governmental Activities:</b>				
Capital assets not being depreciated				
Land	\$ 87,236	\$ -	\$ -	\$ 87,236
Total capital assets not being depreciated	<u>87,236</u>	<u>-</u>	<u>-</u>	<u>87,236</u>
Capital assets being depreciated:				
Buildings and improvements	3,689,334	13,770	4,000	3,699,104
Furniture and equipment	209,359	20,396	6,798	222,957
Landscaping	258,270	4,235	267	262,238
Total capital assets being depreciated	<u>4,156,963</u>	<u>38,401</u>	<u>11,065</u>	<u>4,184,299</u>
Less: accumulated depreciation	<u>(1,972,899)</u>	<u>(119,721)</u>	<u>(9,205)</u>	<u>(2,083,415)</u>
Net capital assets being depreciated	<u>2,184,064</u>	<u>(81,320)</u>	<u>1,860</u>	<u>2,100,884</u>
Net governmental activities capital assets	<u>\$ 2,271,300</u>	<u>\$ (81,320)</u>	<u>\$ 1,860</u>	<u>\$ 2,188,120</u>

Accumulated depreciation by capital asset category for the housing authority is not available.

**Note F - Interfund Receivables, Payables and Transfers**

The following is a schedule of interfund receivables and payables at December 31, 2018:

Receivable Fund	Payable Fund	Amount
General	Water Utility (tax equivalent)	\$ 438,886
General	Self Insurance	38,799
		<u>\$ 477,685</u>

Advances to and from other funds consist of the following:

Receivable Fund	Payable Fund	Amount
General	Infrastructure Capital Projects	\$ 1,544,060

The City is establishing a five-year financing plan that is expected to include settling the General Fund advance to the Infrastructure Fund by a combination of budgetary allotments and borrowed money.

Interfund transfers consist of the following:

Fund Transferred From	Fund Transferred To	Amount
TIF No. 3 Debt Service	Environmental TIF District	1,599,332
General Fund	Park Development	30,000
General Fund	Debt Service	273,953
General Fund	Facade Grants	50,000
Airport	General Fund	25,000
		<u>\$ 1,978,285</u>

CITY OF BURLINGTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note G - Long-Term Obligations**

Outstanding debt and other long-term obligations were comprised of the following at December 31, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<u>Governmental Activities</u>					
General obligation debt	\$ 24,875,000	\$ -	\$ 3,960,000	\$ 20,915,000	\$ 2,925,000
Compensated absences	249,229	-	19,586	229,643	-
Total governmental activities	<u>25,124,229</u>	<u>-</u>	<u>3,979,586</u>	<u>21,144,643</u>	<u>2,925,000</u>
<u>Business-Type Activities</u>					
General obligation debt	1,745,000	-	85,000	1,660,000	90,000
Revenue bonds	14,275,322	88,179	990,153	13,373,348	1,017,381
Compensated absences	82,610	-	25,619	56,991	-
Total business-type activities	<u>16,102,932</u>	<u>88,179</u>	<u>1,100,772</u>	<u>15,090,339</u>	<u>1,107,381</u>
<u>Other Long-Term Obligations</u>					
Leases payable	1,055,740	-	169,775	885,965	70,082
Total Long-Term Obligations	<u>\$ 42,282,901</u>	<u>\$ 88,179</u>	<u>\$ 5,250,133</u>	<u>\$ 37,120,947</u>	<u>\$ 4,102,463</u>

General Obligation Debt

General obligation notes and bonds payable are backed by the full faith and credit of the City. Governmental funds general obligation debt will be retired by future property tax levies and tax increments accumulated in the Debt Service Fund. Business-type activities general obligation debt will be retired by revenues from user fees or, if the revenues are not sufficient to cover debt, by future tax levies.

General obligation debt of the City currently outstanding is as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Principal	Balance 12/31/2018
<u>Governmental Activities</u>					
2007 refunding bonds	09/20/07	04/01/19	4.1% - 4.375%	\$ 1,500,000	\$ 120,000
2011 refunding bonds	11/15/11	04/01/20	2.0% - 3.0%	9,120,000	2,115,000
2012A street bonds	05/23/12	04/01/32	2.0% - 2.8%	3,155,000	2,955,000
2012B refunding bonds	06/12/12	04/01/22	2.0% - 3.0%	1,460,000	415,000
2014A refunding bonds	06/10/14	05/01/30	0.4% - 3.2%	4,539,000	3,115,000
2015B promissory notes	05/13/15	04/01/22	0.7% - 2.25%	4,500,000	3,085,000
2015 bank note	12/02/15	04/01/22	2.25% - 3.25%	300,000	240,000
2017A refunding bonds	05/25/17	04/01/37	2.0% - 3.375%	7,715,000	7,520,000
2017D promissory notes	12/06/17	04/01/27	2.0% - 3.0%	1,495,000	1,350,000
Total general obligation debt - governmental activities					<u>20,915,000</u>
<u>Business-Type Activities</u>					
2014A refunding bonds	06/10/14	05/01/30	0.4% - 3.2%	1,661,000	1,410,000
2017A refunding bonds	05/25/17	04/01/37	2.0% - 3.375%	275,000	250,000
Total general obligation debt - business-type activities					<u>1,660,000</u>
Total all general obligation debt					<u>\$ 22,575,000</u>

CITY OF BURLINGTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note G - Long-Term Obligations (continued)**

The annual debt service requirements to maturity for general obligation long term debt as of December 31, 2018, are as follows:

Year Ending December 31,	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
	2019	\$ 2,925,000	\$ 489,904	\$ 90,000
2020	3,150,000	420,078	90,000	38,948
2021	1,875,000	365,465	125,000	37,109
2022	1,910,000	325,917	135,000	34,714
2023	1,050,000	293,647	145,000	31,912
2024-2028	5,160,000	1,072,070	770,000	103,088
2029-2033	3,595,000	432,525	305,000	9,765
2034-2037	1,250,000	81,672	-	-
	<u>\$ 20,915,000</u>	<u>\$ 3,481,278</u>	<u>\$ 1,660,000</u>	<u>\$ 295,877</u>

**Revenue Bonds**

Revenue bonds are pledged by the assets and revenues of the issuing utility. Revenue bond debt outstanding at December 31, 2018 is as follows:

Business-type Activities	Date of Issue	Final Maturity	Interest Rates	Original Principal	Balance 12/31/2018
2008 CWF bonds (1)	7/23/2008	5/1/2028	2.569%	\$ 4,465,837	\$ 2,536,544
2008 CWF bonds (2)	2/27/2008	5/1/2027	2.365%	926,948	490,387
2011 refunding bonds	11/15/2011	4/1/2020	2.0% - 3.5%	2,050,000	850,000
2012 CWF sewer bonds	10/10/2012	5/1/2032	2.625%	7,439,911	5,828,433
2012 CWF water bonds	2/22/2012	5/1/2031	2.20%	2,044,276	1,445,307
2017 Sewer revenue bonds	5/25/2017	11/1/2037	1.3% - 4.0%	1,610,000	1,545,000
2017 Water revenue bonds	6/28/2017	5/1/2037	1.870%	615,145	677,677
Total Business-Type Activity Revenue Debt					<u>\$ 13,373,348</u>

Debt service requirements to maturity for revenue bond debt as of December 31, 2018, are as follows:

Year Ending December 31,	Business-type Activities Revenue Bonds	
	Principal	Interest
2019	\$ 1,017,381	\$ 335,045
2020	1,046,236	308,617
2021	1,075,565	280,935
2022	1,105,383	251,997
2023	900,700	226,017
2024-2028	4,795,520	776,117
2029-2033	2,869,431	251,890
2034-2037	563,132	38,278
	<u>\$ 13,373,348</u>	<u>\$ 2,468,896</u>

CITY OF BURLINGTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note G - Long-Term Obligations (continued)**

Lease purchase agreements

Annual debt service requirements to maturity of lease purchase agreements are as follows:

Year Ending December 31,	Lease agreements	
	Principal	Interest
2019	\$ 70,082	\$ 23,234
2020	71,997	21,319
2021	73,964	19,352
2022	75,984	17,332
2023	78,060	15,256
2024-2028	423,473	43,107
2029	92,405	1,555
	\$ 885,965	\$ 141,155

Margin of Indebtedness

The Wisconsin Statutes restrict the City's general obligation debt to 5% of the equalized value of all property in the City. This amount is compared below with the outstanding debt on December 31, 2018.

Equalized Value - 2018	\$ 941,440,600
Debt limit (5% of \$941,440,600)	47,072,030
Deduct general obligation debt	22,575,000
Margin of indebtedness	\$ 24,497,030

**Note H - Risk Management**

The City has purchased commercial insurance policies for various risks of loss related to litigation, theft, damage or destruction of assets, errors or omissions, injuries to employees, or natural disasters. Payments of premiums for these policies are recorded as expenditures or expenses in the various funds of the City.

The City is also exposed to various risks of loss related to medical claims. The City's risk management fund (an internal service fund) is used to account for and finance its uninsured health risks of loss. Under this program the risk management fund provides coverage for up to a maximum of \$50,000 for each individual's total claims with group claims limited to 125% of expected claims. The City purchases commercial insurance for health claims in excess of coverage provided by the fund. Settled claims have not exceeded this commercial insurance coverage since inception of the fund.

All funds of the City participate in the health program and are charged amounts needed to pay prior and current year claims and to establish a reserve for future insurance costs. That reserve had a deficit balance of \$145,165 at December 31, 2018 and is reported as the internal service fund net position. The deficit balance is expected to be eliminated by future year interdepartmental charges. The accounts payable of \$110,434 reported in the fund at December 31, 2018 is based on the amount of the loss that can be reasonably estimated at year end.

CITY OF BURLINGTON  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2018

**Note H - Risk Management (continued)**

Changes in the fund's reported liability amount for the year ended December 31, 2018 is as follows:

Beginning of Year Liability	Incurred Claims	Claim Payments	End of Year Liability
\$ 102,155	\$ 1,374,885	\$ 1,366,606	\$ 110,434

**Note I - WRS Pension Plan**

**Plan description.** The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

**Vesting.** For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

**Benefits provided.** Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

**Post-Retirement Adjustments.** The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement.

CITY OF BURLINGTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note I - WRS Pension Plan (continued)**

The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment	Variable Fund Adjustment
2007	3.0%	10.0%
2008	6.6	0.0
2009	(2.1)	(42.0)
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0

**Contributions.** Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$386,927 in contributions from the employer.

Contribution rates as of December 31, 2018 are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.93%
Protective without Social Security	6.7%	15.13%

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

At December 31, 2018, the City of Burlington reported a liability (asset) of (\$1,091,411) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City of Burlington's proportion of the net pension liability (asset) was based on the City of Burlington's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the City of Burlington's proportion was 0.03675877%, which was an increase of 0.0021739% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the City of Burlington recognized pension expense of \$483,520.

CITY OF BURLINGTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note I - WRS Pension Plan (continued)**

At December 31, 2018, the City of Burlington reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,386,665	\$ 648,636
Net differences between projected and actual earnings on pension plan investments	-	1,500,043
Changes in assumptions	215,641	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	27,446	-
Employer contributions subsequent to the measurement date	393,621	-
	\$ 2,023,373	\$ 2,148,679

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)***

\$393,621 reported as deferred outflows related to pension resulting from the City of Burlington's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflow of Resources	Deferred Inflow of Resources
2018	\$ 1,118,105	\$ 989,923
2019	989,831	989,923
2020	357,339	725,929
2021	329,970	611,030
2022	2,634	-

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

Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Liability (Asset)	December 31, 2017
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.20%
Discount Rate:	7.20%
Salary Increases:	
Inflation	3.20%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality
Post-retirement adjustments*	2.10%

\*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

CITY OF BURLINGTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note I - WRS Pension Plan (continued)**

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 - 2014. The total pension liability for December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

**Long-term expected Return on Plan Assets.** The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges 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 are summarized in the following table:

**Asset Allocation Targets and Expected Returns  
As of December 31, 2017**

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	50%	8.2%	5.3%
Fixed Income	24.5%	4.2%	1.4%
Inflation Sensitive Assets	15.5%	3.8%	1.0%
Real Estate	8%	6.5%	3.6%
Private Equity/Debt	8%	9.4%	6.5%
Multi-Asset	4%	6.5%	3.6%
Total Core Fund	110%	7.3%	4.4%
 <u>Variable Fund Asset Class</u>			
US Equities	70%	7.5%	4.6%
International Equities	30%	7.8%	4.9%
Total Variable Fund	100%	7.9%	5.0%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

**Single Discount rate.** A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of 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.

CITY OF BURLINGTON  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2018

**Note I - WRS Pension Plan (continued)**

*Sensitivity of the City's proportionate share of the net pension liability (asset) to changes in the discount rate.* The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
Village's proportionate share of the net pension liability (asset)	\$ 2,823,854	\$ (1,091,411)	\$ (4,067,134)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

*Payable to the pension plan.* At December 31, 2018 the City reported a payable of \$62,615 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2018.

**Note J - Tax Incremental Financing Districts**

The City created the tax incremental financing (TIF) District No. 3 pursuant to provisions of Wisconsin Statute Section 66.1105. The purpose of that section is to allow a municipality to recover development and improvement costs in a designated area from the property taxes generated on the increase value of the property after the creation of the District. When a tax incremental district is established, the state determines the aggregate value of taxable property located within the district (the base value). Taxes derived from levies by all local jurisdictions on property values exceeding the base value determined by the state are allocated to the City for financing improvements within the district.

	Creation Date	End of Statutory Construction Period	Maximum Statutory Life of District	Termination of District
TIF No. 3	9/29/1992	9/29/2014	9/29/2019	3/20/2018

During November 2014, the City adopted a resolution amending Tax Incremental District No. 3 to allow for the sharing of revenues with Tax Incremental E.R. District No. 1 for a five year period as provided for in section 66.1105(6) of the Wisconsin statutes. Positive tax increments in excess of District No. 3's (the donor) project costs are to be allocated to E. R. District No. 1 (the recipient) beginning in 2017.

CITY OF BURLINGTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note J - Tax Incremental Financing Districts (continued)**

The following summarizes the transactions through termination of TIF District No. 3.

<u>Project Costs</u>	Period of January 1 - March 20, 2018	From Date of Creation
Accumulated project expenditures (including interest costs)	\$ 1,758,070	\$ 64,881,206
 <u>Less: Project Revenues</u>		
Tax increments	4,573,829	60,667,402
Intergovernmental revenues	-	762,530
Special assessments / property sales	-	305,001
Rental income	-	2,794
Investment income	3,582	2,280,109
City contribution for Wehmhoff Park	-	60,000
Increment allocations from TIF District No. 4	-	2,009,000
Premium on bonds issued	-	69,151
All other	-	3,000
Total Project Revenues	<u>4,577,411</u>	<u>66,158,987</u>
Net Costs Recoverable (Recovered) Through TIF Increments - December 31, 2018	<u>\$ (2,819,341)</u>	<u>\$ (1,277,781)</u>
Refunds Payable to Overlying Districts		1,277,781
Balance		<u>\$ -</u>

As of March 20, 2018, the date of the TIF closure, the District had recovered all of its project costs and had excess tax increments of \$1,277,781. Wisconsin Statutes require surplus funds available at the termination of a district to be refunded to the overlying taxing districts. As of December 31, 2018, the surplus funds have been repaid to the overlying districts.

The City created the Environmental Remediation Tax Incremental Financing District No. 1 pursuant to provision of Wisconsin Statute Sections 66.1105 and 66.1106.

	<u>Creation Date</u>	<u>End of Statutory Construction Period</u>	<u>Maximum Statutory Life of District</u>	<u>Termination of District</u>
ER TIF No. 1	9/7/2018	9/7/2025	9/7/2033	3/20/2018

CITY OF BURLINGTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note J - Tax Incremental Financing Districts (continued)**

The following summarizes the transactions to date of the Environmental Remediation Tax Incremental Financing District.

<u>Project Costs</u>	<u>Period of January 1 - March 20, 2018</u>	<u>From Date of Creation</u>
Accumulated project expenditures (including interest costs)	\$ 357,680	\$ 5,693,003
 <u>Less: Project Revenues</u>		
Tax increments	1,641,651	3,703,690
Intergovernmental revenues	-	332,325
Interest earned on note receivable	6,802	481,788
Loan repayments	928,542	1,160,000
Sale of property	-	15,200
Total Project Revenues	<u>2,576,995</u>	<u>5,693,003</u>
 Net Costs Recoverable (Recovered) Through TIF Increments - December 31, 2018		
	<u>\$ (2,219,315)</u>	<u>\$ -</u>

The City created the tax incremental financing District No. 5 under the provisions of Wisconsin Statute Section 66.1105 as a "Mixed Use District". The purpose of that section is to allow a municipality to recover development and improvement costs in a designated area that the property taxes generated on the increased value of property after the creation date of the district. That tax on the increased value is referred to as a tax increment.

Summary information on TIF District No. 5 follows:

	<u>Creation Date</u>	<u>End of Statutory Construction Period</u>	<u>Maximum Statutory Life of District</u>
TIF No. 5	12/2/2014	10/1/2017	10/1/2022

The following summarizes the transactions to date of TIF District No. 5.

<u>Project Costs</u>	<u>Year Ended</u>	<u>From Date of Creation</u>
Accumulated project expenditures (including interest costs)	\$ 71,053	\$ 5,227,428
 <u>Less: Project Revenues</u>		
Tax increments	378,943	519,198
Intergovernmental revenues	-	45,000
Developer reimbursements	1,260,776	1,374,398
Investment income	8,844	16,002
Total Project Revenues	<u>1,648,563</u>	<u>1,954,598</u>
 Net Costs Recoverable (Recovered) Through TIF Increments - December 31, 2018		
	<u>\$ (1,577,510)</u>	<u>\$ 3,272,830</u>

CITY OF BURLINGTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note K - Litigation and Contingencies**

The City attorney and City management are unaware of any pending or threatened litigation against the City that would have a material effect on the financial statements.

**Note L - Subsequent Events**

Management has evaluated the need for disclosure or recording of transactions resulting from subsequent events through August 1, 2019, the date the financial statements were available to be issued; and concluded the following matters required disclosure:

On May 30, 2019, the City issued \$1,285,000 in General Obligation Corporate Purpose Bonds, Series 2019A. Principal and interest is payable beginning April 1, 2020 and ending April 1, 2039 with variable principal payments. Interest on the bond is stated at 3.00%.

On May 30, 2019, the City issued \$1,575,000 in Waterworks System Revenue Bonds, Series 2019B. Principal is payable beginning May 1, 2022 and ending May 1, 2039 with variable principal payments. Interest is payable beginning on November 1, 2019 and ending May 1, 2039 with stated interest rates from 3.00% to 4.00%.

**Note M - Housing Authority Component Unit**

The Housing Authority of the City of Burlington (the "Housing Authority") is a component unit of the City. The fiscal year end of the Housing Authority is August 31, 2018. The following is a summary of significant disclosures of the Housing Authority.

**Summary of Significant Accounting Policies**

The Housing Authority was formed under the applicable sections of the Wisconsin Statutes to provide an economically designed and constructed low-rent housing facility for senior citizens in the City of Burlington. The Housing Authority is governed by a five-member board of commissioners appointed by the City's mayor.

The Housing Authority uses the accrual basis of accounting.

Property and equipment are stated at cost. Depreciation is provided on the straight line method over the estimated useful lives of the assets.

**Cash and Investments**

The Housing Authority's cash and investments consist of deposits at local banks. At August 31, 2018, the Housing Authority's deposits totaled \$262,577. The carrying value of those deposits on the Housing Authority's financial statements was \$250,696. All of the Housing Authority's deposits at August 31, 2018 were covered by FDIC insurance.

**Restricted Cash**

The Housing Authority is required to maintain separate restricted accounts for debt service, security deposits, and capital improvements and replacements. Restricted cash at August 31, 2018 consisted of the following:

Reserve account	\$ 150,952
Security deposits	36,953
Total Restricted Assets	<u>\$ 187,905</u>

CITY OF BURLINGTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note M - Housing Authority Component Unit (continued)**

Long-term Debt

The Housing Authority's long-term debt as of August 31, 2018 consisted of the following:

1977 USDA Rural Development loan. This loan was reamortized on July 1, 2014 at a stated interest rate of 3.625%, however, a Rural Development interest subsidy reduces the rate paid to 1%. The loan has been deferred for 20 years and will be due for refinancing on July 1, 2034. \$ 422,323

1984 USDA Rural Development loan. This loan was reamortized on July 1, 2014 at a stated interest rate of 3.625%, however, a Rural Development interest subsidy reduces the rate paid to 1.0%. The loan has been deferred for 20 years and will be due for refinancing on July 1, 2034. 333,867

2014 USDA Rural Development loan. This loan was authorized on July 10, 2014 for \$1,475,978 with principal payments to commence September 2015. Interest is not charged on the loan. Monthly principal payments for the loan will be \$2,464 based on a 50 year amortization. The loan requires HA to maintain a reserve account. Transfers not less than agreed upon schedule shall be made annually until the amount in the reserve account reaches the sum of \$350,000. By 6/30/18, the reserve account should have a minimum balance of \$28,788. 1,389,736

Total Notes Payable	2,145,926
Add: Deferred interest payable	54,925
Less: Current maturities	<u>(29,568)</u>

Total Long-term Debt	<u><u>\$ 2,171,283</u></u>
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Interest payments of the scheduled payments below are reported at the subsidized rate of 1%.

Annual principal and interest payments to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 29,568	\$ -
2020	29,568	-
2021	29,568	-
2022	29,568	-
2023	29,568	-
2024 - 2028	147,840	-
2029 - 2033	147,840	-
2034 - 2038	919,228	140,688
2039 - 2043	147,840	-
2044 - 2048	147,840	-
2049 - 2053	147,840	-
2054 - 2058	147,840	-
2059 - 2063	147,840	-
2064 - 2068	43,978	-
	<u>\$ 2,145,926</u>	<u>\$ 140,688</u>

\* The 1977 and 1984 USDA Rural Development loans are due for refinancing on July 1, 2034 including accrued interest of \$140,688.

CITY OF BURLINGTON  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**Note N – Restatement of Net Position**

**Prior Period Adjustment**

A prior period adjustment was made to increase the net position of the Governmental Activities and Business-type Activities due to a misstatement in accumulated totals of deferred outflows and deferred inflows related to the Wisconsin Retirement System pension benefit.

The net effect of this change in net position is as follows:

	Governmental Activities	Business-type Activities
Change in net position as of December 31, 2017	\$ 1,530,333	\$ (579,792)
Prior period adjustment	1,050,002	199,405
Change in net position as of December 31, 2017, as restated	\$ 2,580,335	\$ (380,387)

The net effect of this change to net position is as follows:

	Governmental Activities	Business-type Activities
Net position as of December 31, 2017	\$ 41,533,467	\$ 32,919,058
Prior period adjustment	1,050,002	199,405
Net position as of December 31, 2017, as restated	\$ 42,583,469	\$ 33,118,463

**REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF BURLINGTON

SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
 Wisconsin Retirement System  
 Last 10 Fiscal Years\*

WRS Year End	City's proportion of the net pension (asset) liability	City's proportionate share of the net pension (asset) liability	City's covered-employee payroll	Net pension (asset) liability as a percentage of employee payroll	Plan fiduciary net position as a percentage of total pension (asset) liability
2017	0.03675877%	\$ (1,091,411)	\$ 4,471,203	(24.41%)	102.93%
2016	0.03654138%	\$ 301,188	\$ 4,325,346	6.96%	99.12%
2015	0.03723434%	\$ 605,052	\$ 4,234,746	14.29%	98.20%
2014	0.03809625%	\$ (935,748)	\$ 4,351,295	(21.51%)	102.74%

SCHEDULE OF CITY CONTRIBUTIONS  
 Wisconsin Retirement System  
 Last 10 Fiscal Years\*

WRS Year End	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	City's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2017	\$ 386,927	\$ 386,927	\$ -	\$ 4,471,203	8.65%
2016	\$ 343,934	\$ 343,934	\$ -	\$ 4,325,346	7.95%
2015	\$ 346,167	\$ 346,167	\$ -	\$ 4,234,746	8.17%
2014	\$ 369,564	\$ 369,564	\$ -	\$ 4,351,295	8.49%

\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

\*GASB Pronouncements 67 and 68 require the presentation of the last 10 prior fiscal years completed under these pronouncements. The fiscal years completed prior to the enactment of these pronouncements are not required to be presented for this schedule.

See accompanying notes to required supplementary information.

CITY OF BURLINGTON  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2018

NOTE 1 - PENSIONS

*Changes of benefit terms.* There were no changes of benefit terms for any participating employer in WRS.

*Changes of assumptions.* There were no changes in the assumptions.

**SUPPLEMENTARY INFORMATION**

CITY OF BURLINGTON  
 COMBINING BALANCE SHEETS  
 NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2018

	Special Revenue Funds					
	Library Operations	Community Development Block Grant	TIF No. 3 Revolving Loan	Park Develop- ment	Library Trust	Police Donations
<b>ASSETS</b>						
Cash and investments	\$ 106,819	\$ 172,811	\$ -	\$ 134,247	\$ 124,099	\$ 54,783
Taxes receivable	417,665	-	-	-	-	-
Notes receivable	-	569,484	344,689	-	-	-
Restricted Assets:						
Cash and investments	-	-	28,479	-	-	-
<b>TOTAL ASSETS</b>	<b>524,484</b>	<b>742,295</b>	<b>373,168</b>	<b>134,247</b>	<b>124,099</b>	<b>54,783</b>
<b>LIABILITIES</b>						
Accounts payable	18,858	-	-	-	-	350
<b>TOTAL LIABILITIES</b>	<b>18,858</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>350</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred revenue	417,665	569,484	344,689	-	-	-
<b>FUND BALANCES</b>						
Restricted	-	-	28,479	-	-	-
Assigned	87,961	172,811	-	134,247	124,099	54,433
<b>TOTAL FUND BALANCES</b>	<b>87,961</b>	<b>172,811</b>	<b>28,479</b>	<b>134,247</b>	<b>124,099</b>	<b>54,433</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 524,484</b>	<b>\$ 742,295</b>	<b>\$ 373,168</b>	<b>\$ 134,247</b>	<b>\$ 124,099</b>	<b>\$ 54,783</b>

Special Revenue Funds		Debt Service		Capital Projects Funds		Total Nonmajor Funds
Wehmhoff	DeRozier	General	Environmental TIF District	Revolving Capital Projects	Facade Grants	
\$ 18,281	\$ 35,292	\$ -	\$ -	\$ 1,498,740	\$ 16,404	\$ 2,161,476
-	-	1,278,353	-	-	-	1,696,018
-	-	-	-	-	-	914,173
-	-	-	2,228,791	-	-	2,257,270
<u>18,281</u>	<u>35,292</u>	<u>1,278,353</u>	<u>2,228,791</u>	<u>1,498,740</u>	<u>16,404</u>	<u>7,028,937</u>
-	115	-	-	686	-	20,009
-	115	-	-	686	-	20,009
-	-	1,278,353	-	-	-	2,610,191
-	-	-	2,228,791	-	-	2,257,270
<u>18,281</u>	<u>35,177</u>	<u>-</u>	<u>-</u>	<u>1,498,054</u>	<u>16,404</u>	<u>2,141,467</u>
<u>18,281</u>	<u>35,177</u>	<u>-</u>	<u>2,228,791</u>	<u>1,498,054</u>	<u>16,404</u>	<u>4,398,737</u>
<u>\$ 18,281</u>	<u>\$ 35,292</u>	<u>\$ 1,278,353</u>	<u>\$ 2,228,791</u>	<u>\$ 1,498,740</u>	<u>\$ 16,404</u>	<u>\$ 7,028,937</u>

CITY BURLINGTON  
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED DECEMBER 31, 2018

	Special Revenue Funds					
	Library Operations	Community Development Block Grant	TIF No. 3 Revolving Loan	Park Develop- ment	Library Trust	Police Donations
<b>REVENUES</b>						
Taxes	\$ 405,500	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	305,717	-	-	-	-	-
Charges for services	16,065	-	-	-	-	-
Investment income	2,141	16,043	7,008	-	578	-
Repayment of note receivable	-	42,868	21,471	-	-	-
All other	3,358	-	-	4,000	16,635	56,215
<b>TOTAL REVENUES</b>	<b>732,781</b>	<b>58,911</b>	<b>28,479</b>	<b>4,000</b>	<b>17,213</b>	<b>56,215</b>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	33,263
Culture, recreation, and education	744,259	-	-	11,173	7,275	-
Conservation and development	-	6,022	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>744,259</b>	<b>6,022</b>	<b>-</b>	<b>11,173</b>	<b>7,275</b>	<b>33,263</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(11,478)</b>	<b>52,889</b>	<b>28,479</b>	<b>(7,173)</b>	<b>9,938</b>	<b>22,952</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	30,000	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,000</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(11,478)</b>	<b>52,889</b>	<b>28,479</b>	<b>22,827</b>	<b>9,938</b>	<b>22,952</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>99,439</b>	<b>119,922</b>	<b>-</b>	<b>111,420</b>	<b>114,161</b>	<b>31,481</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 87,961</b>	<b>\$ 172,811</b>	<b>\$ 28,479</b>	<b>\$ 134,247</b>	<b>\$ 124,099</b>	<b>\$ 54,433</b>

Special Revenue Funds		Debt Service		Capital Projects Funds		Total Nonmajor Funds
Wehmhoff	DeRozier	General	Environmental TIF District	Revolving Capital Projects	Facade Grants	
\$ -	\$ -	\$ 874,469	\$ 42,318	\$ 300,000	\$ -	\$ 1,622,287
-	-	-	-	-	-	305,717
-	-	-	-	-	-	16,065
929	670	6,102	6,802	5,485	398	46,156
-	-	-	928,542	-	-	992,881
-	47,451	-	-	445	-	128,104
<u>929</u>	<u>48,121</u>	<u>880,571</u>	<u>977,662</u>	<u>305,930</u>	<u>398</u>	<u>3,111,210</u>
-	-	-	1,530	-	-	1,530
-	-	-	-	-	-	33,263
40,090	12,944	-	-	-	-	815,741
-	-	-	-	-	42,054	48,076
-	-	-	-	176,555	-	176,555
-	-	708,404	225,000	-	-	933,404
-	-	446,120	47,358	-	-	493,478
<u>40,090</u>	<u>12,944</u>	<u>1,154,524</u>	<u>273,888</u>	<u>176,555</u>	<u>42,054</u>	<u>2,502,047</u>
<u>(39,161)</u>	<u>35,177</u>	<u>(273,953)</u>	<u>703,774</u>	<u>129,375</u>	<u>(41,656)</u>	<u>609,163</u>
-	-	273,953	1,599,332	-	50,000	1,953,285
-	-	273,953	1,599,332	-	50,000	1,953,285
(39,161)	35,177	-	2,303,106	129,375	8,344	2,562,448
<u>57,442</u>	<u>-</u>	<u>-</u>	<u>(74,315)</u>	<u>1,368,679</u>	<u>8,060</u>	<u>1,836,289</u>
<u>\$ 18,281</u>	<u>\$ 35,177</u>	<u>\$ -</u>	<u>\$ 2,228,791</u>	<u>\$ 1,498,054</u>	<u>\$ 16,404</u>	<u>\$ 4,398,737</u>

CITY OF BURLINGTON  
GENERAL FUND  
SCHEDULES OF REVENUES - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>TAXES</u>			
General property taxes	\$ 5,186,631	\$ 5,186,631	\$ -
Payments in lieu of taxes	85,000	40,896	(44,104)
Room tax	115,000	134,900	19,900
Interest on personal property taxes	200	91	(109)
TOTAL TAXES	<u>5,386,831</u>	<u>5,362,518</u>	<u>(24,313)</u>
<u>INTERGOVERNMENTAL</u>			
Shared taxes from state	453,997	460,927	6,930
Exempt computer aid	26,117	40,877	14,760
Fire insurance from state	39,517	39,603	86
Municipal services	1,500	1,442	(58)
General transportation aid	578,357	577,898	(459)
Connecting streets	2,856	2,856	-
Recycling grants	27,153	27,142	(11)
State aid for police training	-	2,720	2,720
Safety aid	2,500	2,504	4
Forestry grant	1,500	-	(1,500)
DNR aid in lieu of tax	700	1,894	1,194
Miscellaneous grants	3,900	26,082	22,182
TOTAL INTERGOVERNMENTAL	<u>1,138,097</u>	<u>1,183,945</u>	<u>45,848</u>
<u>LICENSES AND PERMITS</u>			
Business and occupational licenses	60,850	63,293	2,443
Weights and measures	7,400	7,315	(85)
Wisconsin cable TV licenses	134,000	142,664	8,664
Parking permits	700	440	(260)
Cell tower permit	60,000	59,804	(196)
Building and electrical permits	127,100	233,480	106,380
Right of way and zoning permits	11,000	10,615	(385)
Developer Reimbursement	25,000	-	(25,000)
TOTAL LICENSES AND PERMITS	<u>426,050</u>	<u>517,611</u>	<u>91,561</u>
<u>FINES AND FORFEITURES</u>			
Court penalty costs	75,000	211,364	136,364
Parking violations	55,000	30,139	(24,861)
TOTAL FINES AND FORFEITURES	<u>\$ 130,000</u>	<u>\$ 241,503</u>	<u>\$ 111,503</u>

CITY OF BURLINGTON  
GENERAL FUND  
SCHEDULES OF REVENUES - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>CHARGES FOR SERVICES</u>			
Clerk's revenue	\$ 9,400	\$ 6,182	\$ (3,218)
Police department	7,900	7,546	(354)
Fire department	40,000	11,415	(28,585)
Street department	8,000	1,826	(6,174)
Zoning and developer fees	21,000	25,707	4,707
Parks fees	6,200	7,962	1,762
TOTAL CHARGES FOR SERVICES	<u>92,500</u>	<u>60,638</u>	<u>(31,862)</u>
<u>SPECIAL ASSESSMENTS</u>			
Sidewalks and all other	<u>15,000</u>	<u>23,234</u>	<u>8,234</u>
<u>INTEREST</u>			
Investment earnings	24,000	117,562	93,562
Interest on special assessments	2,500	282	(2,218)
TOTAL INTEREST	<u>26,500</u>	<u>117,844</u>	<u>91,344</u>
<u>OTHER</u>			
Insurance recoveries	10,000	12,662	2,662
Police donations	-	230	230
All other	1,000	627,701	626,701
TOTAL OTHER	<u>11,000</u>	<u>640,593</u>	<u>629,593</u>
TOTAL REVENUES	<u>\$ 7,225,978</u>	<u>\$ 8,147,886</u>	<u>\$ 921,908</u>

CITY OF BURLINGTON  
GENERAL FUND  
SCHEDULES OF EXPENDITURES - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>GENERAL GOVERNMENT</u>			
Mayor and City Council	\$ 89,150	\$ 54,437	\$ 34,713
Municipal court	86,675	60,864	25,811
Administration	442,517	442,045	472
Finance - treasurer	228,439	254,754	(26,315)
City clerk	60,093	62,318	(2,225)
Elections	39,198	34,131	5,067
Assessor and board of review	43,300	50,891	(7,591)
City attorney	175,000	124,880	50,120
TOTAL GENERAL GOVERNMENT	<u>1,164,372</u>	<u>1,084,320</u>	<u>80,052</u>
<u>PUBLIC SAFETY</u>			
Police department	3,207,263	3,025,534	181,729
Fire department	1,046,427	964,495	81,932
Building inspector	147,235	123,736	23,499
TOTAL PUBLIC SAFETY	<u>4,400,925</u>	<u>4,113,765</u>	<u>287,160</u>
<u>PUBLIC WORKS</u>			
Street administration and maintenance	1,220,711	1,000,608	220,103
Street lighting	270,000	286,101	(16,101)
Sidewalks, curb, and gutters	35,000	60,327	(25,327)
Storm sewers	6,500	20,712	(14,212)
Parking structure	12,000	7,786	4,214
Garbage collection	365,000	372,829	(7,829)
Recycling	104,000	104,564	(564)
Landfill	25,000	16,605	8,395
Clean sweep	25,000	34,413	(9,413)
TOTAL PUBLIC WORKS	<u>2,063,211</u>	<u>1,903,945</u>	<u>159,266</u>
<u>HEALTH AND HUMAN SERVICES</u>			
Health officer	77,513	77,153	360
Animal shelter	8,650	8,645	5
TOTAL HEALTH AND HUMAN SERVICES	<u>\$ 86,163</u>	<u>\$ 85,798</u>	<u>\$ 365</u>

CITY OF BURLINGTON  
GENERAL FUND  
SCHEDULES OF EXPENDITURES - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>CULTURE, RECREATION, AND EDUCATION</u>			
Historical society	\$ 1,000	\$ 1,000	\$ -
Senior citizens	600	2,662	(2,062)
Celebrations and festivals	-	12,529	(12,529)
Parks and forestry	659,810	555,735	104,075
TOTAL CULTURE, RECREATION, AND EDUCATION	<u>661,410</u>	<u>571,926</u>	<u>89,484</u>
<u>CONSERVATION AND DEVELOPMENT</u>			
Economic development	225,000	150,708	74,292
Plan commission	63,500	94,347	(30,847)
Town annexation revenue sharing	620	322	298
TOTAL CONSERVATION AND DEVELOPMENT	<u>289,120</u>	<u>245,377</u>	<u>43,743</u>
TOTAL EXPENDITURES	<u>\$ 8,665,201</u>	<u>\$ 8,005,131</u>	<u>\$ 660,070</u>

CITY OF BURLINGTON  
LONG-TERM DEBT SCHEDULES  
YEAR ENDED DECEMBER 31, 2018

The following is a summary of the bonds and notes payable of the city as of December 31, 2018.

	Original Principal	Outstanding Principal 12/31/2018
<b><u>General Obligation Debt</u></b>		
2007 refunding bonds	\$ 1,500,000	\$ 120,000
2011 refunding bonds	9,120,000	2,115,000
2012 street bonds	3,155,000	2,955,000
2012 refunding bonds	1,460,000	415,000
2014A refunding bonds	6,200,000	4,525,000
2015B promissory notes	4,500,000	3,085,000
2015 Fox River Bank loan	300,000	240,000
2017A refunding bonds	7,990,000	7,770,000
2017D promissory notes	1,495,000	1,350,000
		<u>\$ 22,575,000</u>

**2007 General Obligation Refunding Bonds**

The proceeds from this issue were used to refund a short-term note and to finance various infrastructure improvements. Interest is charged at rates of 4.10% to 4.375%.

	Principal	Interest	Total
April 1, 2019	\$ 120,000	\$ 4,290	\$ 124,290
	<u>\$ 120,000</u>	<u>\$ 4,290</u>	<u>\$ 124,290</u>

**2011 General Obligation Refunding Bonds**

The proceeds from this issue were used to refund 2001 bonds issued for TIF No. 3 purposes. Interest is charged at rates of 2.0% to 3.0%.

	Principal	Interest	Total
April 1, 2019	\$ 970,000	\$ 31,725	\$ 1,001,725
October 1, 2019	-	17,175	17,175
April 1, 2020	1,145,000	17,175	1,162,175
	<u>\$ 2,115,000</u>	<u>\$ 66,075</u>	<u>\$ 2,181,075</u>

CITY OF BURLINGTON  
LONG-TERM DEBT SCHEDULES  
YEAR ENDED DECEMBER 31, 2018

2012 General Obligation Street Bonds

The proceeds from this issue were used to finance various infrastructure improvements. Interest is charged at rates of 2.0% to 2.8%.

	Principal	Interest	Total
April 1, 2019	\$ 165,000	\$ 36,418	\$ 201,418
October 1, 2019	-	34,768	34,768
April 1, 2020	170,000	34,768	204,768
October 1, 2020	-	33,067	33,067
April 1, 2021	120,000	33,067	153,067
October 1, 2021	-	31,718	31,718
April 1, 2022	125,000	31,718	156,718
October 1, 2022	-	30,311	30,311
April 1, 2023	165,000	30,311	195,311
October 1, 2023	-	28,455	28,455
April 1, 2024	200,000	28,455	228,455
October 1, 2024	-	26,205	26,205
April 1, 2025	190,000	26,205	216,205
October 1, 2025	-	24,068	24,068
April 1, 2026	195,000	24,068	219,068
October 1, 2026	-	21,776	21,776
April 1, 2027	200,000	21,776	221,776
October 1, 2027	-	19,326	19,326
April 1, 2028	205,000	19,326	224,326
October 1, 2028	-	16,713	16,713
April 1, 2029	215,000	16,713	231,713
October 1, 2029	-	13,864	13,864
April 1, 2030	220,000	13,864	233,864
October 1, 2030	-	10,894	10,894
April 1, 2031	385,000	10,894	395,894
October 1, 2031	-	5,600	5,600
April 1, 2032	400,000	5,600	405,600
	<u>\$ 2,955,000</u>	<u>\$ 629,948</u>	<u>\$ 3,584,948</u>

CITY OF BURLINGTON  
LONG-TERM DEBT SCHEDULES  
YEAR ENDED DECEMBER 31, 2018

2012 General Obligation Refunding Bonds

The proceeds from this issue were used to refund state trust fund loans issued in 2004, 2009 and 2011 for various purposes. Interest is charged at rates of 0.5% to 2.5%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 1, 2019	\$ 145,000	\$ 4,276	\$ 149,276
October 1, 2019	-	2,972	2,972
April 1, 2020	155,000	2,972	157,972
October 1, 2020	-	1,383	1,383
April 1, 2021	55,000	1,383	56,383
October 1, 2021	-	750	750
April 1, 2022	60,000	750	60,750
	<u>\$ 415,000</u>	<u>\$ 14,486</u>	<u>\$ 429,486</u>

2014A General Obligation Refunding Bonds

The proceeds from this issue were used to refund the 2010A general obligation bonds. The proceeds from that issue were used to finance capital projects in the TIF No. 3 capital projects, environmental TIF, water utility and sewer utility funds. Interest is charged on the new debt at rates of 0.4% to 3.2%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2019	\$ 245,000	\$ 55,415	\$ 300,415
November 1, 2019	-	53,884	53,884
May 1, 2020	255,000	53,884	308,884
November 1, 2020	-	51,971	51,971
May 1, 2021	340,000	51,971	391,971
November 1, 2021	-	49,081	49,081
May 1, 2022	360,000	49,081	409,081
November 1, 2022	-	45,661	45,661
May 1, 2023	370,000	45,661	415,661
November 1, 2023	-	41,776	41,776
May 1, 2024	380,000	41,776	421,776
November 1, 2024	-	37,406	37,406
May 1, 2025	390,000	37,406	427,406
November 1, 2025	-	32,531	32,531
May 1, 2026	410,000	32,531	442,531
November 1, 2026	-	26,996	26,996
May 1, 2027	425,000	26,996	451,996
November 1, 2027	-	20,940	20,940
May 1, 2028	435,000	20,940	455,940
November 1, 2028	-	14,415	14,415
May 1, 2029	450,000	14,415	464,415
November 1, 2029	-	7,440	7,440
May 1, 2030	465,000	7,440	472,440
	<u>\$ 4,525,000</u>	<u>\$ 819,617</u>	<u>\$ 5,344,617</u>

CITY OF BURLINGTON  
LONG-TERM DEBT SCHEDULES  
YEAR ENDED DECEMBER 31, 2018

2015B General Obligation Promissory Notes

The proceeds from this issue were used to finance infrastructure improvements related to TIF District No. 5. Interest is charged at rates of 0.7% to 2.25%.

	Principal	Interest	Total
April 1, 2019	\$ 735,000	\$ 28,531	\$ 763,531
October 1, 2019	-	23,386	23,386
April 1, 2020	755,000	23,386	778,386
October 1, 2020	-	16,968	16,968
April 1, 2021	780,000	16,969	796,969
October 1, 2021	-	9,169	9,169
April 1, 2022	815,000	9,169	824,169
	<u>\$ 3,085,000</u>	<u>\$ 127,578</u>	<u>\$ 3,212,578</u>

2015 Fox River Bank Loan

The proceeds from this issue were used to finance infrastructure improvements related to TIF District No. 5. Interest is charged at rates of 2.25% to 3.25%.

	Principal	Interest	Total
April 1, 2019	\$ 60,000	\$ 3,033	\$ 63,033
October 1, 2019	-	2,516	2,516
April 1, 2020	60,000	2,516	62,516
October 1, 2020	-	1,830	1,830
April 1, 2021	60,000	1,820	61,820
October 1, 2021	-	991	991
April 1, 2022	60,000	986	60,986
	<u>\$ 240,000</u>	<u>\$ 13,692</u>	<u>\$ 253,692</u>

CITY OF BURLINGTON  
LONG-TERM DEBT SCHEDULES  
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2017A General Obligation Refunding Bonds

The proceeds from this issue were used to partially refund the 2007 general obligation refunding bonds and to finance various infrastructure improvements including street improvement projects and a community swimming pool. Interest is charged at rates of 2.00% to 3.375%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 1, 2019	\$ 435,000	\$ 103,397	\$ 538,397
October 1, 2019	-	99,047	99,047
April 1, 2020	560,000	99,047	659,047
October 1, 2020	-	93,447	93,447
April 1, 2021	500,000	93,447	593,447
October 1, 2021	-	88,447	88,447
April 1, 2022	480,000	88,447	568,447
October 1, 2022	-	83,647	83,647
April 1, 2023	510,000	83,647	593,647
October 1, 2023	-	78,547	78,547
April 1, 2024	500,000	78,547	578,547
October 1, 2024	-	72,297	72,297
April 1, 2025	485,000	72,297	557,297
October 1, 2025	-	66,234	66,234
April 1, 2026	460,000	66,234	526,234
October 1, 2026	-	59,334	59,334
April 1, 2027	450,000	59,334	509,334
October 1, 2027	-	52,584	52,584
April 1, 2028	375,000	52,584	427,584
October 1, 2028	-	46,959	46,959
April 1, 2029	340,000	46,959	386,959
October 1, 2029	-	41,859	41,859
April 1, 2030	375,000	41,859	416,859
October 1, 2030	-	36,234	36,234
April 1, 2031	375,000	36,234	411,234
October 1, 2031	-	30,609	30,609
April 1, 2032	350,000	30,609	380,609
October 1, 2032	-	25,359	25,359
April 1, 2033	325,000	25,359	350,359
October 1, 2033	-	20,484	20,484
April 1, 2034	325,000	20,484	345,484
October 1, 2034	-	15,406	15,406
April 1, 2035	325,000	15,406	340,406
October 1, 2035	-	10,125	10,125
April 1, 2036	300,000	10,125	310,125
October 1, 2036	-	5,063	5,063
April 1, 2037	300,000	5,063	305,063
	<u>\$ 7,770,000</u>	<u>\$ 1,954,761</u>	<u>\$ 9,724,761</u>

CITY OF BURLINGTON  
LONG-TERM DEBT SCHEDULES  
YEAR ENDED DECEMBER 31, 2018

2017D General Obligation Promissory Notes

The proceeds from this issue were used to finance capital projects related to flood recovery. Interest is charged at rates of 2.00% to 3.00%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 1, 2019	\$ 140,000	\$ 15,406	\$ 155,406
October 1, 2019	-	14,006	14,006
April 1, 2020	140,000	14,006	154,006
October 1, 2020	-	12,606	12,606
April 1, 2021	145,000	12,606	157,606
October 1, 2021	-	11,156	11,156
April 1, 2022	145,000	11,156	156,156
October 1, 2022	-	9,706	9,706
April 1, 2023	150,000	9,706	159,706
October 1, 2023	-	7,456	7,456
April 1, 2024	150,000	7,456	157,456
October 1, 2024	-	5,206	5,206
April 1, 2025	155,000	5,206	160,206
October 1, 2025	-	3,656	3,656
April 1, 2026	160,000	3,656	163,656
October 1, 2026	-	1,856	1,856
April 1, 2027	165,000	1,856	166,856
	<u>\$ 1,350,000</u>	<u>\$ 146,702</u>	<u>\$ 1,496,702</u>

CITY OF BURLINGTON  
LONG-TERM DEBT SCHEDULES  
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	Original Principal	Outstanding Principal 12/31/2018
<b><u>Other Long-Term Obligations</u></b>		
2013 energy conservation program lease purchase - U.S. Bancorp	1,147,507	\$ 885,965
		\$ 885,965

2013 Energy Conservation Program Lease/Purchase

The proceeds from this issue were used for various energy conservation facilities improvements. The total amount of proceeds available is \$1,147,507. Lease payments are for 15 years at an interest rate of 2.698%

	Principal	Interest	Total
February 15, 2019	\$ 17,344	\$ 5,985	\$ 23,329
May 15, 2019	17,461	5,868	23,329
August 15, 2019	17,579	5,750	23,329
November 15, 2019	17,698	5,631	23,329
February 15, 2020	17,818	5,511	23,329
May 15, 2020	17,938	5,391	23,329
August 15, 2020	18,059	5,270	23,329
November 15, 2020	18,182	5,147	23,329
February 15, 2021	18,305	5,024	23,329
May 15, 2021	18,428	4,901	23,329
August 15, 2021	18,553	4,776	23,329
November 15, 2021	18,678	4,651	23,329
February 15, 2022	18,804	4,525	23,329
May 15, 2022	18,932	4,397	23,329
August 15, 2022	19,060	4,269	23,329
November 15, 2022	19,188	4,141	23,329
February 15, 2023	19,318	4,011	23,329
May 15, 2023	19,449	3,880	23,329
August 15, 2023	19,580	3,749	23,329
November 15, 2023	19,713	3,616	23,329
February 15, 2024	19,846	3,483	23,329
May 15, 2024	19,980	3,349	23,329
August 15, 2024	20,115	3,214	23,329
November 15, 2024	20,251	3,078	23,329
February 15, 2025	20,388	2,941	23,329
May 15, 2025	20,526	2,803	23,329
August 15, 2025	20,665	2,664	23,329
November 15, 2025	20,804	2,525	23,329
February 15, 2026	20,945	2,384	23,329
May 15, 2026	21,086	2,243	23,329
August 15, 2026	21,229	2,100	23,329
November 15, 2026	21,373	1,956	23,329
February 15, 2027	21,517	1,812	23,329
Balance carried forward	\$ 638,812	\$ 131,045	\$ 769,857

CITY OF BURLINGTON  
LONG-TERM DEBT SCHEDULES  
YEAR ENDED DECEMBER 31, 2018

2013 Energy Conservation Program Lease/Purchase (continued)

	Principal	Interest	Total
Balance brought forward	\$ 638,812	\$ 131,045	\$ 769,857
May 15, 2027	21,663	1,666	23,329
August 15, 2027	21,809	1,520	23,329
November 15, 2027	21,956	1,373	23,329
February 15, 2028	22,105	1,224	23,329
May 15, 2028	22,254	1,075	23,329
August 15, 2028	22,405	924	23,329
November 15, 2028	22,556	773	23,329
February 15, 2029	22,709	620	23,329
May 15, 2029	22,862	467	23,329
August 15, 2029	23,017	312	23,329
November 15, 2029	23,817	156	23,973
	<u>\$ 885,965</u>	<u>\$ 141,155</u>	<u>\$ 1,027,120</u>

CITY OF BURLINGTON  
LONG-TERM DEBT SCHEDULES  
YEAR ENDED DECEMBER 31, 2018

	Original Principal	Outstanding Principal 12/31/2018
<b><u>Utility Revenue Debt</u></b>		
2008 sewer revenue bonds - Clean Water Fund (No. 5096-02)	\$ 4,465,837	\$ 2,536,544
2008 sewer revenue bonds - Clean Water Fund (No. 5096-04)	926,948	490,387
2011 water revenue refunding bonds	2,050,000	850,000
2012 water revenue bonds - Clean Water Fund (No. 5475-01)	2,044,276	1,445,307
2012 sewer revenue bonds - Clean Water Fund (No. 5096-09)	7,439,911	5,828,433
2017B sewer system revenue bonds	1,610,000	1,545,000
2017C water revenue bonds - Clean Water Fund (No. 5475-03)	615,145	677,677
		\$ 13,373,348

2008 Clean Water Fund Loan (No. 5096-02)

The proceeds from this issue were used for various sewer utility improvements. Interest is charged at the rate of 2.569%.

	Principal	Interest	Total
May 1, 2019	\$ 225,693	\$ 32,582	\$ 258,275
November 1, 2019	-	29,683	29,683
May 1, 2020	231,491	29,683	261,174
November 1, 2020	-	26,709	26,709
May 1, 2021	237,438	26,709	264,147
November 1, 2021	-	23,660	23,660
May 1, 2022	243,538	23,660	267,198
November 1, 2022	-	20,531	20,531
May 1, 2023	249,794	20,531	270,325
November 1, 2023	-	17,323	17,323
May 1, 2024	256,211	17,323	273,534
November 1, 2024	-	14,032	14,032
May 1, 2025	262,794	14,032	276,826
November 1, 2025	-	10,656	10,656
May 1, 2026	269,545	10,656	280,201
November 1, 2026	-	7,193	7,193
May 1, 2027	276,469	7,193	283,662
November 1, 2027	-	3,642	3,642
May 1, 2028	283,571	3,642	287,213
	\$ 2,536,544	\$ 339,440	\$ 2,875,984

CITY OF BURLINGTON  
LONG-TERM DEBT SCHEDULES  
YEAR ENDED DECEMBER 31, 2018

2008 Clean Water Fund Loan (No. 5096-04)

The proceeds from this issue were used for various sewer utility improvements. Interest is charged at the rate of 2.365%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2019	\$ 49,534	\$ 5,799	\$ 55,333
November 1, 2019	-	5,213	5,213
May 1, 2020	50,705	5,213	55,918
November 1, 2020	-	4,614	4,614
May 1, 2021	51,904	4,614	56,518
November 1, 2021	-	4,000	4,000
May 1, 2022	53,132	4,000	57,132
November 1, 2022	-	3,371	3,371
May 1, 2023	54,388	3,371	57,759
November 1, 2023	-	2,728	2,728
May 1, 2024	55,675	2,728	58,403
November 1, 2024	-	2,070	2,070
May 1, 2025	56,991	2,070	59,061
November 1, 2025	-	1,396	1,396
May 1, 2026	58,339	1,396	59,735
November 1, 2026	-	706	706
May 1, 2027	59,719	706	60,425
	<u>\$ 490,387</u>	<u>\$ 53,995</u>	<u>\$ 544,382</u>

2011 Water Revenue Refunding Bonds

The proceeds from this issue were used to refund the 2002 water revenue bonds that were issued to finance various water utility improvements. Interest is charged at rates of 2.0% to 3.5%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2019	\$ 200,000	\$ 13,898	\$ 213,898
November 1, 2019	-	10,899	10,899
May 1, 2020	210,000	10,899	220,899
November 1, 2020	-	7,539	7,539
May 1, 2021	215,000	7,539	222,539
November 1, 2021	-	3,938	3,938
May 1, 2022	225,000	3,937	228,937
	<u>\$ 850,000</u>	<u>\$ 58,649</u>	<u>\$ 908,649</u>

CITY OF BURLINGTON  
LONG-TERM DEBT SCHEDULES  
YEAR ENDED DECEMBER 31, 2018

2012 Clean Water Fund Loan (No. 5475-01)

The proceeds from this issue were used for various water utility improvements. Interest is charged at the rate of 2.2%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2019	\$ 97,246	\$ 15,898	\$ 113,144
November 1, 2019	-	14,829	14,829
May 1, 2020	99,386	14,829	114,215
November 1, 2020	-	13,735	13,735
May 1, 2021	101,572	13,735	115,307
November 1, 2021	-	12,618	12,618
May 1, 2022	103,807	12,618	116,425
November 1, 2022	-	11,476	11,476
May 1, 2023	106,090	11,476	117,566
November 1, 2023	-	10,309	10,309
May 1, 2024	108,424	10,309	118,733
November 1, 2024	-	9,117	9,117
May 1, 2025	110,810	9,117	119,927
November 1, 2025	-	7,898	7,898
May 1, 2026	113,248	7,898	121,146
November 1, 2026	-	6,652	6,652
May 1, 2027	115,739	6,652	122,391
November 1, 2027	-	5,379	5,379
May 1, 2028	118,285	5,379	123,664
November 1, 2028	-	4,078	4,078
May 1, 2029	120,888	4,078	124,966
November 1, 2029	-	2,748	2,748
May 1, 2030	123,547	2,748	126,295
November 1, 2030	-	1,389	1,389
May 1, 2031	126,265	1,390	127,655
	<u>\$ 1,445,307</u>	<u>\$ 216,355</u>	<u>\$ 1,661,662</u>

CITY OF BURLINGTON  
LONG-TERM DEBT SCHEDULES  
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2012 Clean Water Fund Loan (No. 5096-09)

The proceeds from this issue were used for various sewer utility improvements. Interest is charged at the rate of 2.625%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2019	\$ 349,873	\$ 76,498	\$ 426,371
November 1, 2019	-	71,906	71,906
May 1, 2020	359,058	71,906	430,964
November 1, 2020	-	67,193	67,193
May 1, 2021	368,483	67,193	435,676
November 1, 2021	-	62,357	62,357
May 1, 2022	378,156	62,357	440,513
November 1, 2022	-	57,394	57,394
May 1, 2023	388,083	57,394	445,477
November 1, 2023	-	52,300	52,300
May 1, 2024	398,270	52,300	450,570
November 1, 2024	-	47,073	47,073
May 1, 2025	408,724	47,073	455,797
November 1, 2025	-	41,709	41,709
May 1, 2026	419,453	41,709	461,162
November 1, 2026	-	36,203	36,203
May 1, 2027	430,464	36,203	466,667
November 1, 2027	-	30,553	30,553
May 1, 2028	441,764	30,553	472,317
November 1, 2028	-	24,755	24,755
May 1, 2029	453,360	24,755	478,115
November 1, 2029	-	18,805	18,805
May 1, 2030	465,261	18,805	484,066
November 1, 2030	-	12,698	12,698
May 1, 2031	477,474	12,698	490,172
November 1, 2031	-	6,431	6,431
May 1, 2032	490,010	6,432	496,442
	<u>\$ 5,828,433</u>	<u>\$ 1,135,253</u>	<u>\$ 6,963,686</u>

CITY OF BURLINGTON  
LONG-TERM DEBT SCHEDULES  
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2017B Sewer System Revenue Bonds

The proceeds from this issue were used to finance collection system improvements. Interest is charged at rates of 1.30% to 4.00%.

	Principal	Interest	Total
April 1, 2019	\$ 65,000	\$ 22,935	\$ 87,935
October 1, 2019	-	22,513	22,513
April 1, 2020	65,000	22,512	87,512
October 1, 2020	-	21,960	21,960
April 1, 2021	70,000	21,960	91,960
October 1, 2021	-	21,365	21,365
April 1, 2022	70,000	21,365	91,365
October 1, 2022	-	20,630	20,630
April 1, 2023	70,000	20,630	90,630
October 1, 2023	-	19,895	19,895
April 1, 2024	70,000	19,895	89,895
October 1, 2024	-	19,038	19,038
April 1, 2025	75,000	19,038	94,038
October 1, 2025	-	18,119	18,119
April 1, 2026	75,000	18,118	93,118
October 1, 2026	-	17,088	17,088
April 1, 2027	80,000	17,087	97,087
October 1, 2027	-	15,988	15,988
April 1, 2028	80,000	15,987	95,987
October 1, 2028	-	14,788	14,788
April 1, 2029	80,000	14,787	94,787
October 1, 2029	-	13,588	13,588
April 1, 2030	80,000	13,587	93,587
October 1, 2030	-	12,288	12,288
April 1, 2031	85,000	12,288	97,288
October 1, 2031	-	10,906	10,906
April 1, 2032	90,000	10,906	100,906
October 1, 2032	-	9,331	9,331
April 1, 2033	90,000	9,331	99,331
October 1, 2033	-	7,756	7,756
April 1, 2034	95,000	7,756	102,756
October 1, 2034	-	5,975	5,975
April 1, 2035	100,000	5,975	105,975
October 1, 2035	-	4,100	4,100
April 1, 2036	100,000	4,100	104,100
October 1, 2036	-	2,100	2,100
April 1, 2037	105,000	2,100	107,100
	<u>\$ 1,545,000</u>	<u>\$ 537,785</u>	<u>\$ 2,082,785</u>

CITY OF BURLINGTON  
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2017C Clean Water Fund (No. 5475-03)

The proceeds from this issue were used to finance various water utility improvements. Interest is charged at a rate of 1.80%.

	Principal	Interest	Total
April 1, 2019	\$ 30,035	\$ 6,337	\$ 36,372
October 1, 2019	-	6,055	6,055
April 1, 2020	30,596	6,055	36,651
October 1, 2020	-	5,769	5,769
April 1, 2021	31,168	5,769	36,937
October 1, 2021	-	5,478	5,478
April 1, 2022	31,751	5,478	37,229
October 1, 2022	-	5,181	5,181
April 1, 2023	32,345	5,181	37,526
October 1, 2023	-	4,879	4,879
April 1, 2024	32,950	4,879	37,829
October 1, 2024	-	4,571	4,571
April 1, 2025	33,566	4,571	38,137
October 1, 2025	-	4,257	4,257
April 1, 2026	34,193	4,257	38,450
October 1, 2026	-	3,937	3,937
April 1, 2027	34,833	3,937	38,770
October 1, 2027	-	3,611	3,611
April 1, 2028	35,484	3,611	39,095
October 1, 2028	-	3,280	3,280
April 1, 2029	36,148	3,280	39,428
October 1, 2029	-	2,942	2,942
April 1, 2030	36,824	2,942	39,766
October 1, 2030	-	2,597	2,597
April 1, 2031	37,512	2,597	40,109
October 1, 2031	-	2,247	2,247
April 1, 2032	38,214	2,247	40,461
October 1, 2032	-	1,889	1,889
April 1, 2033	38,928	1,889	40,817
October 1, 2033	-	1,525	1,525
April 1, 2034	39,656	1,525	41,181
October 1, 2034	-	1,154	1,154
April 1, 2035	40,398	1,154	41,552
October 1, 2035	-	777	777
April 1, 2036	41,153	777	41,930
October 1, 2036	-	392	392
April 1, 2037	41,923	392	42,315
	<u>\$ 677,677</u>	<u>\$ 127,419</u>	<u>\$ 805,096</u>