

CITY OF BURLINGTON, KANSAS

FINANCIAL STATEMENTS

Year ended December 31, 2019

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City of Burlington, Kansas
Financial Statements
Year ended December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Burlington, Kansas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Burlington, Kansas, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Burlington, Kansas, as of December 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General and the City/County Infrastructure Project Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The City has not presented management discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be a part of, the basic financial statements. Accounting principles generally accepted in the United States of America require that the other post-employment benefit schedules on pages 42-43, the schedule of the City's proportionate share of the net pension liability on page 44, and the schedule of the City's contributions on page 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying account and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

September 2, 2020

City of Burlington, Kansas

STATEMENT OF NET POSITION
December 31, 2019

	Governmental Activities	Business-type Activities	Total
Assets and Deferred Outflows of Resources			
Current assets:			
Cash and cash equivalents	\$ 4,484,037	\$ 4,622,622	\$ 9,106,659
Cash with fiscal agent	8,580	-	8,580
Accounts receivable (net of allowance for uncollectibles)	-	409,993	409,993
Taxes receivable	693,264	-	693,264
Notes receivable	4,774	-	4,774
Inventory	-	319,465	319,465
Prepaid expenses	19,876	30,885	50,761
Restricted assets			
Cash and cash equivalents	-	49,210	49,210
Total current assets	<u>5,210,531</u>	<u>5,432,175</u>	<u>10,642,706</u>
Noncurrent assets:			
Capital assets:			
Capital assets, nondepreciable			
Land	-	246,649	246,649
Capital assets, depreciable	7,015,127	42,518,339	49,533,466
Less: accumulated depreciation	<u>[4,754,668]</u>	<u>[22,052,027]</u>	<u>[26,806,695]</u>
Total net capital assets	<u>2,260,459</u>	<u>20,712,961</u>	<u>22,973,420</u>
Total noncurrent assets	<u>2,260,459</u>	<u>20,712,961</u>	<u>22,973,420</u>
Total assets	<u>7,470,990</u>	<u>26,145,136</u>	<u>33,616,126</u>
Deferred outflows of resources			
Net pension liability	90,932	101,074	192,006
OPEB liability	975	-	975
KPERs OPEB liability	10,091	-	10,091
Total deferred outflows of resources	<u>101,998</u>	<u>101,074</u>	<u>203,072</u>
Total assets and deferred outflows of resources	<u>\$ 7,572,988</u>	<u>\$ 26,246,210</u>	<u>\$ 33,819,198</u>
Liabilities and Deferred Inflows of Resources			
Liabilities:			
Current liabilities:			
Accrued liabilities	\$ 26,709	\$ 27,051	\$ 53,760
Accounts payable	13,666	253,947	267,613
Interest payable	2,308	243,865	246,173
Matured bond principal and interest	8,580	-	8,580
Meter deposits	-	49,210	49,210
Current portion of bonds and notes payable	70,000	437,414	507,414
Total current liabilities	<u>121,263</u>	<u>1,011,487</u>	<u>1,132,750</u>
Noncurrent liabilities:			
Net OPEB liability	24,629	-	24,629
KPERs OPEB liability	43,156	-	43,156
Accrued compensated absences	216,628	158,922	375,550
General obligation bonds and notes payable	268,160	9,466,883	9,735,043
Net pension liability	653,817	744,645	1,398,462
Total noncurrent liabilities	<u>1,206,390</u>	<u>10,370,450</u>	<u>11,576,840</u>
Total liabilities	<u>1,327,653</u>	<u>11,381,937</u>	<u>12,709,590</u>
Deferred Inflows of Resources			
Unavailable revenue - property taxes	693,264	-	693,264
Net OPEB liability	11,616	-	11,616
KPERs OPEB liability	16,277	-	16,277
Net pension liability	30,235	34,135	64,370
Total deferred inflows of resources	<u>751,392</u>	<u>34,135</u>	<u>785,527</u>
Total liabilities and deferred inflows of resources	<u>\$ 2,079,045</u>	<u>\$ 11,416,072</u>	<u>\$ 13,495,117</u>
Net Position			
Net investment in capital assets	\$ 1,922,299	\$ 10,808,664	\$ 12,730,963
Restricted for:			
Debt service	4,028	-	4,028
Unrestricted	<u>3,567,616</u>	<u>4,021,474</u>	<u>7,589,090</u>
Total net position	<u>\$ 5,493,943</u>	<u>\$ 14,830,138</u>	<u>\$ 20,324,081</u>

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

City of Burlington, Kansas

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019

	Program Revenues			Net [Expenses] Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business Type Activities	Total
Governmental activities:						
General government	\$ 485,755	\$ 30,483	\$ -	\$ [455,272]	\$ -	\$ [455,272]
Public safety	752,442	40,424	-	[712,018]	-	[712,018]
Highways and streets	1,051,759	-	489,911	[561,848]	-	[561,848]
Culture and recreation	257,675	26,323	113,383	[117,969]	-	[117,969]
Economic development	443	-	-	[443]	-	[443]
Interest on long-term debt	247,055	-	-	[247,055]	-	[247,055]
Total governmental activities	<u>2,795,129</u>	<u>97,230</u>	<u>603,294</u>	<u>[2,094,605]</u>	<u>-</u>	<u>[2,094,605]</u>
Business-type activities:						
Electric Utility	3,991,166	3,936,641	-	-	[54,525]	[54,525]
Sewer Utility	873,671	436,529	148,249	-	[288,893]	[288,893]
Water Utility	1,219,527	1,156,132	-	-	[63,395]	[63,395]
Total business-type activities	<u>6,084,364</u>	<u>5,529,302</u>	<u>148,249</u>	<u>-</u>	<u>[406,813]</u>	<u>[406,813]</u>
Total government	<u>\$ 8,879,493</u>	<u>\$ 5,626,532</u>	<u>\$ 751,543</u>	<u>[2,094,605]</u>	<u>[406,813]</u>	<u>[2,501,418]</u>
General Revenues:						
Property taxes levied for						
General purposes				729,961	-	729,961
Debt service				51,984	-	51,984
Sales tax				818,385	272,795	1,091,180
Franchise tax				19,193	-	19,193
Special assessments				17,736	-	17,736
Investments earnings				96,222	-	96,222
Miscellaneous				110,227	107,710	217,937
Transfers, net				509,772	[509,772]	-
Total general revenues and transfers				<u>2,353,480</u>	<u>[129,267]</u>	<u>2,224,213</u>
Change in net position				258,875	[536,080]	[277,205]
Net position - beginning				<u>5,235,068</u>	<u>15,366,218</u>	<u>20,601,286</u>
Net position - ending				<u>\$ 5,493,943</u>	<u>\$ 14,830,138</u>	<u>\$ 20,324,081</u>

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

City of Burlington, Kansas

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2019

	<u>General</u>	<u>Bond and Interest</u>	<u>County/ City Infrastructure Project</u>	<u>Infrastructure</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 411,522	\$ 4,028	\$ 884,955	\$ 1,678,151	\$ 1,505,381	\$ 4,484,037
Cash with fiscal agent	-	8,580	-	-	-	8,580
Receivables						
Taxes	610,512	54,508	-	-	28,244	693,264
Notes	-	-	-	-	4,774	4,774
Prepaid expenses	17,660	-	-	-	2,216	19,876
Total assets	<u>\$ 1,039,694</u>	<u>\$ 67,116</u>	<u>\$ 884,955</u>	<u>\$ 1,678,151</u>	<u>\$ 1,540,615</u>	<u>\$ 5,210,531</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 9,083	\$ -	\$ 4,073	\$ -	\$ 510	\$ 13,666
Accrued liabilities	26,709	-	-	-	-	26,709
Matured bonds and interest payable	-	8,580	-	-	-	8,580
Total liabilities	<u>35,792</u>	<u>8,580</u>	<u>4,073</u>	<u>-</u>	<u>510</u>	<u>48,955</u>
Deferred inflows of resources:						
Unavailable revenue - property taxes	610,512	54,508	-	-	28,244	693,264
Total deferred inflows of resources	<u>610,512</u>	<u>54,508</u>	<u>-</u>	<u>-</u>	<u>28,244</u>	<u>693,264</u>
Total liabilities and deferred inflows of resources	<u>646,304</u>	<u>63,088</u>	<u>4,073</u>	<u>-</u>	<u>28,754</u>	<u>742,219</u>
Fund balance:						
Restricted	-	4,028	-	-	530,101	534,129
Committed	-	-	880,882	1,678,151	981,760	3,540,793
Unassigned	393,390	-	-	-	-	393,390
Total fund balance	<u>393,390</u>	<u>4,028</u>	<u>880,882</u>	<u>1,678,151</u>	<u>1,511,861</u>	<u>4,468,312</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,039,694</u>	<u>\$ 67,116</u>	<u>\$ 884,955</u>	<u>\$ 1,678,151</u>	<u>\$ 1,540,615</u>	<u>\$ 5,210,531</u>

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

City of Burlington, Kansas

RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2019

Total Governmental Fund Balances		\$ 4,468,312
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 funds		
The cost of capital assets is	7,015,127	
Accumulated depreciation is	<u>4,754,668</u>	2,260,459
Pension contributions are reported as an expense in the funds and as a deferred outflow of resources in the governmental activities in the statement of net position.		90,932
Pension fundings are reported as a revenue in the funds and as a deferred inflow of resources in the governmental activities in the statement of net position.		[685,385]
A long-term liability is recorded for the unfunded portion of post employment benefits other than pensions, while in the governmental funds, liabilities that do not require satisfaction with current resources are not recorded.		[85,587]
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long term liabilities at year end consist of:		
Bonds payable	[338,160]	
Compensated absences payable	<u>[216,628]</u>	<u>[554,788]</u>
Net Position of Governmental Activities		\$ <u>5,493,943</u>

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

City of Burlington, Kansas

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2019

	General	Debt Service	County/ City Infrastructure Project	Infrastructure	Other Governmental Funds	Total Governmental Funds
REVENUES:						
Property tax	\$ 704,057	\$ 51,984	\$ -	\$ -	\$ 25,904	\$ 781,945
Sales tax	545,590	-	-	-	272,795	818,385
Franchise tax	19,193	-	-	-	-	19,193
Charges for services	46,964	-	-	-	-	46,964
Special assessments	473	13,038	-	-	4,225	17,736
Intergovernmental	2,635	-	210,048	-	390,611	603,294
Licenses and permits	9,842	-	-	-	-	9,842
Fines and fees	40,424	-	-	-	-	40,424
Use of money and property	94,783	-	-	-	1,439	96,222
Reimbursements	2,882	-	-	-	-	2,882
Miscellaneous	107,346	-	-	-	-	107,346
Total revenues	<u>1,574,189</u>	<u>65,022</u>	<u>210,048</u>	<u>-</u>	<u>694,974</u>	<u>2,544,233</u>
EXPENDITURES:						
Current						
General government	138,352	-	-	148,249	51,719	338,320
Public safety	686,150	-	-	-	-	686,150
Highways and streets	475,304	-	-	-	420,775	896,079
Culture and recreation	194,448	-	-	-	10,017	204,465
Economic development	-	-	-	-	443	443
Public health	6,740	-	-	-	-	6,740
Capital outlay	34,428	-	226,599	-	32,212	293,239
Debt service						
Principal	-	65,000	-	-	-	65,000
Interest and other charges	-	8,225	-	236,523	-	244,748
Total expenditures	<u>1,535,422</u>	<u>73,225</u>	<u>226,599</u>	<u>384,772</u>	<u>515,166</u>	<u>2,735,184</u>
Excess [deficiency] of revenues over [under] expenditures	<u>38,767</u>	<u>[8,203]</u>	<u>[16,551]</u>	<u>[384,772]</u>	<u>179,808</u>	<u>[190,951]</u>
OTHER FINANCING SOURCES [USES]						
Transfers [out]	[35,000]	-	-	-	-	[35,000]
Transfers in	125,000	-	-	384,772	35,000	544,772
Total other financing sources [uses]	<u>90,000</u>	<u>-</u>	<u>-</u>	<u>384,772</u>	<u>35,000</u>	<u>509,772</u>
Net change in fund balances	128,767	[8,203]	[16,551]	-	214,808	318,821
Fund balance - Beginning of year	<u>264,623</u>	<u>12,231</u>	<u>897,433</u>	<u>1,678,151</u>	<u>1,297,053</u>	<u>4,149,491</u>
Fund balance - End of year	<u>\$ 393,390</u>	<u>\$ 4,028</u>	<u>\$ 880,882</u>	<u>\$ 1,678,151</u>	<u>\$ 1,511,861</u>	<u>\$ 4,468,312</u>

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

City of Burlington, Kansas

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES WITH THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019

Total Net Change In Fund Balances - Governmental Funds	\$ 318,821
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Amounts reported for governmental activities in the statement of activities are different because

Capital outlays to purchase or build assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceed depreciation in the period.

Capital asset additions	185,717	
Loss on sale of assets	[12,148]	
Depreciation expense	<u>[272,039]</u>	[98,470]

Some expenses reported in the statement of activities, such as compensated absences and net other post employment benefit obligations, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences	[11,123]	
Net OPEB liability	[1,530]	
KPERS OPEB liability	<u>[5,121]</u>	[17,774]

Pension payments are reported as expenditures in the governmental funds and do not affect the statement of net activities.

[7,070]

Repayment of loan principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.

63,368

Changes In Net Position of Governmental Activities

\$ 258,875

City of Burlington, Kansas

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
GENERAL FUND
For the Year Ended December 31, 2019

	GAAP	Adjustments	Budgetary	Budgeted Amounts		Variance with
	Basis	to Budgetary	Basis	Original	Final	Final Budget
		Basis				Positive
						[Negative]
Revenues						
Property tax	\$ 704,057	\$ -	\$ 704,057	\$ 724,478	\$ 724,478	\$ [20,421]
Sales tax	545,590	-	545,590	525,000	525,000	20,590
Franchise tax	19,193	-	19,193	22,000	22,000	[2,807]
Licenses and permits	9,842	-	9,842	9,960	9,960	[118]
Special assessments	473	-	473	4,000	4,000	[3,527]
Charges for services	46,964	-	46,964	27,575	27,575	19,389
Intergovernmental	2,635	-	2,635	6,058	6,058	[3,423]
Fines and fees	40,424	-	40,424	70,000	70,000	[29,576]
Use of money and property	94,783	-	94,783	55,000	55,000	39,783
Reimbursements	107,346	-	107,346	23,000	23,000	84,346
Miscellaneous	2,882	-	2,882	59,500	59,500	[56,618]
Total revenues	1,574,189	-	1,574,189	1,526,571	1,526,571	47,618
Expenditures						
General government						
Personal services	63,579	-	63,579	89,423	89,423	25,844
Contractual services	65,393	939	66,332	45,398	45,398	[20,934]
Commodities	9,380	-	9,380	8,975	8,975	[405]
Capital outlay	33,927	-	33,927	86,375	86,375	52,448
Total general government	172,279	939	173,218	230,171	230,171	56,953
Public safety						
Personal services	491,226	-	491,226	658,614	658,614	167,388
Contractual services	148,884	-	148,884	126,677	126,677	[22,207]
Commodities	46,040	-	46,040	11,150	11,150	[34,890]
Total public safety	686,150	-	686,150	796,441	796,441	110,291
Highway and streets						
Personal services	344,826	-	344,826	459,627	459,627	114,801
Contractual services	113,424	-	113,424	167,921	167,921	54,497
Commodities	17,054	-	17,054	14,700	14,700	[2,354]
Total highway and streets	475,304	-	475,304	642,248	642,248	166,944

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

City of Burlington, Kansas

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
GENERAL FUND (Continued)
For the Year Ended December 31, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Culture and recreation						
Personal services	\$ 130,014	\$ -	\$ 130,014	\$ 158,711	\$ 158,711	\$ 28,697
Contractual services	51,615	-	51,615	51,865	51,865	250
Commodities	12,819	-	12,819	9,300	9,300	[3,519]
Capital outlay	501	-	501	-	-	[501]
Total culture and recreation	194,949	-	194,949	219,876	219,876	24,927
Public health						
Personal services	6,740	-	6,740	8,650	8,650	1,910
Total public health	6,740	-	6,740	8,650	8,650	1,910
Total expenditures	1,535,422	939	1,536,361	1,897,386	1,897,386	361,025
Excess [deficiency] of revenues over [under] expenditures	38,767	[939]	37,828	[370,815]	[370,815]	408,643
Other financing sources [uses]						
Transfer [out]	[35,000]	-	[35,000]	[35,000]	[35,000]	-
Transfers in	125,000	-	125,000	125,000	125,000	-
Total other financing sources [uses]	90,000	-	90,000	90,000	90,000	-
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	128,767	[939]	127,828	\$ [280,815]	\$ [280,815]	\$ 408,643
Fund balance, January 1	264,623	[62,354]	202,269			
Fund balance, December 31	\$ 393,390	\$ [63,293]	\$ 330,097			

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

City of Burlington, Kansas

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
CITY/COUNTY INFRASTRUCTURE PROJECT FUND
For the Year Ended December 31, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Intergovernmental	\$ 210,048	\$ -	\$ 210,048	\$ 209,864	\$ 209,864	\$ 184
Total revenues	<u>210,048</u>	<u>-</u>	<u>210,048</u>	<u>209,864</u>	<u>209,864</u>	<u>184</u>
Expenditures						
Capital outlay	<u>226,599</u>	<u>-</u>	<u>226,599</u>	<u>1,058,628</u>	<u>1,058,628</u>	<u>832,029</u>
Total expenditures	<u>226,599</u>	<u>-</u>	<u>226,599</u>	<u>1,058,628</u>	<u>1,058,628</u>	<u>832,029</u>
Excess [deficiency] of revenues over [under] expenditures	[16,551]	-	[16,551]	<u>\$ [848,764]</u>	<u>\$ [848,764]</u>	<u>\$ 832,213</u>
Fund balance, January 1,	<u>897,433</u>	<u>-</u>	<u>897,433</u>			
Fund balance, December 31	<u>\$ 880,882</u>	<u>\$ -</u>	<u>\$ 880,882</u>			

See independent auditor's report on the financial statements.

City of Burlington, Kansas

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2019

	Business-Type Activities: Enterprise Funds			
	Electric Utility	Sewer Utility	Water Utility	Total
Assets and Deferred Outflows of Resources				
Current assets:				
Cash and cash equivalents	\$ 3,302,832	\$ 583,745	\$ 736,045	\$ 4,622,622
Accounts receivable (net of allowance for uncollectibles)	288,404	34,152	87,437	409,993
Inventory	274,362	8,918	36,185	319,465
Prepaid expenses	16,554	1,418	12,913	30,885
Restricted assets				
Cash and cash equivalents	39,150	-	10,060	49,210
Total current assets	<u>3,921,302</u>	<u>628,233</u>	<u>882,640</u>	<u>5,432,175</u>
Capital assets:				
Capital assets, nondepreciable				
Land	4,000	166,649	76,000	246,649
Capital assets, depreciable				
Utility plant	12,879,194	15,728,340	13,910,805	42,518,339
Less: accumulated depreciation	<u>[10,427,029]</u>	<u>[5,803,093]</u>	<u>[5,821,905]</u>	<u>[22,052,027]</u>
Total net capital assets	<u>2,456,165</u>	<u>10,091,896</u>	<u>8,164,900</u>	<u>20,712,961</u>
Deferred outflows of resources				
Pension liability	52,503	15,849	32,722	101,074
Total deferred outflows of resources	<u>52,503</u>	<u>15,849</u>	<u>32,722</u>	<u>101,074</u>
Total assets and deferred outflows of resources	<u>\$ 6,429,970</u>	<u>\$ 10,735,978</u>	<u>\$ 9,080,262</u>	<u>\$ 26,246,210</u>
Liabilities and Deferred Inflows of Resources				
Current liabilities:				
Accrued liabilities	\$ 18,011	\$ 2,158	\$ 6,882	\$ 27,051
Accounts payable	216,879	1,232	35,836	253,947
Interest payable	-	232,357	11,508	243,865
Meter deposits	39,150	-	10,060	49,210
Current portion of bonds and notes payable	-	152,414	285,000	437,414
Total current liabilities	<u>274,040</u>	<u>388,161</u>	<u>349,286</u>	<u>1,011,487</u>
Noncurrent liabilities:				
Accrued compensated absences	122,921	4,516	31,485	158,922
Long-term portion of bonds and notes payable	-	8,099,743	1,367,140	9,466,883
Net pension liability	<u>408,389</u>	<u>100,148</u>	<u>236,108</u>	<u>744,645</u>
Total noncurrent liabilities	<u>531,310</u>	<u>8,204,407</u>	<u>1,634,733</u>	<u>10,370,450</u>
Total liabilities	<u>805,350</u>	<u>8,592,568</u>	<u>1,984,019</u>	<u>11,381,937</u>
Deferred inflows of resources				
Pension liability	18,826	4,543	10,766	34,135
Total deferred inflows of resources	<u>18,826</u>	<u>4,543</u>	<u>10,766</u>	<u>34,135</u>
Total liabilities and deferred inflows of resources	<u>\$ 824,176</u>	<u>\$ 8,597,111</u>	<u>\$ 1,994,785</u>	<u>\$ 11,416,072</u>
Net position:				
Net investment in capital assets	\$ 2,456,165	\$ 1,839,739	\$ 6,512,760	\$ 10,808,664
Unreserved	<u>3,149,629</u>	<u>299,128</u>	<u>572,717</u>	<u>4,021,474</u>
Total net position	<u>\$ 5,605,794</u>	<u>\$ 2,138,867</u>	<u>\$ 7,085,477</u>	<u>\$ 14,830,138</u>

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

City of Burlington, Kansas

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

For the Year Ended December 31, 2019

	Business-Type Activities: Enterprise Funds			
	Electric Utility	Sewer Utility	Water Utility	Totals
Operating revenues				
Charges for services	\$ 3,936,641	\$ 436,529	\$ 1,156,132	\$ 5,529,302
Reimbursements	85,730	6,102	-	91,832
Miscellaneous	<u>7,102</u>	<u>202</u>	<u>8,574</u>	<u>15,878</u>
Total operating revenues	<u>4,029,473</u>	<u>442,833</u>	<u>1,164,706</u>	<u>5,637,012</u>
Operating expenses				
Collection and treatment	-	273,620	-	273,620
Production	2,804,340	-	415,904	3,220,244
Distribution	640,205	-	351,740	991,945
Administration and general	233,724	2,492	101,723	337,939
Depreciation and amortization	<u>312,897</u>	<u>601,724</u>	<u>311,970</u>	<u>1,226,591</u>
Total operating expenses	<u>3,991,166</u>	<u>877,836</u>	<u>1,181,337</u>	<u>6,050,339</u>
Operating income [loss]	<u>38,307</u>	<u>[435,003]</u>	<u>[16,631]</u>	<u>[413,327]</u>
Nonoperating revenues [expenses]				
Contributed capital	-	148,249	-	148,249
Capital improvement sales tax	-	272,795	-	272,795
Interest expense	<u>-</u>	<u>4,165</u>	<u>[38,190]</u>	<u>[34,025]</u>
Total nonoperating revenues [expenses]	<u>-</u>	<u>425,209</u>	<u>[38,190]</u>	<u>387,019</u>
Income before operating transfers	<u>38,307</u>	<u>[9,794]</u>	<u>[54,821]</u>	<u>[26,308]</u>
Transfers				
Transfers out	<u>[95,000]</u>	<u>[389,772]</u>	<u>[25,000]</u>	<u>[509,772]</u>
Change in net position	<u>[56,693]</u>	<u>[399,566]</u>	<u>[79,821]</u>	<u>[536,080]</u>
Net position, January 1	<u>5,662,487</u>	<u>2,538,433</u>	<u>7,165,298</u>	<u>15,366,218</u>
Net position, December 31	<u>\$ 5,605,794</u>	<u>\$ 2,138,867</u>	<u>\$ 7,085,477</u>	<u>\$ 14,830,138</u>

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

City of Burlington, Kansas

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2019

	Business-Type Activities: Enterprise Funds			
	Electric Utility	Sewer Utility	Water Utility	Totals
Cash flows from operating activities				
Cash received from customers	\$ 4,052,170	\$ 442,537	\$ 1,164,781	\$ 5,659,488
Cash paid to suppliers and employees	<u>[3,705,222]</u>	<u>[283,153]</u>	<u>[840,147]</u>	<u>[4,828,522]</u>
Net cash provided by [used in] operating activities	<u>346,948</u>	<u>159,384</u>	<u>324,634</u>	<u>830,966</u>
Cash flows from noncapital financing activities				
Sales taxes revenue	-	272,795	-	272,795
Transfers [to] from other funds	<u>[95,000]</u>	<u>[389,772]</u>	<u>[25,000]</u>	<u>[509,772]</u>
Net cash provided by [used in] noncapital financing activities	<u>[95,000]</u>	<u>[116,977]</u>	<u>[25,000]</u>	<u>[236,977]</u>
Cash flows from capital and related financing activities				
Capital contributions	-	148,249	-	148,249
Interest paid on bonds and loans	-	-	[40,024]	[40,024]
Payments on bonds	-	[148,250]	-	[148,250]
Payments on loans	<u>-</u>	<u>-</u>	<u>[281,190]</u>	<u>[281,190]</u>
Net cash provided by [used in] capital and related financing activities	<u>-</u>	<u>[1]</u>	<u>[321,214]</u>	<u>[321,215]</u>
Net increase [decrease] in cash and cash equivalents	251,948	42,406	[21,580]	272,774
Cash and cash equivalents, January 1	<u>3,090,034</u>	<u>541,339</u>	<u>767,685</u>	<u>4,399,058</u>
Cash and cash equivalents, December 31	<u>\$ 3,341,982</u>	<u>\$ 583,745</u>	<u>\$ 746,105</u>	<u>\$ 4,671,832</u>

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

City of Burlington, Kansas

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (Continued)
 For the Year Ended December 31, 2019

	Business-Type Activities: Enterprise Funds			
	<u>Electric Utility</u>	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Totals</u>
Reconciliation of operating income [loss] to net cash provided by [used in] operating activities				
Operating income [loss]	\$ 38,307	\$ [435,003]	\$ [16,631]	\$ [413,327]
Adjustments to reconcile operating income [loss] to net cash provided by [used in] operating activities				
Depreciation expense	312,897	601,724	311,970	1,226,591
[Increase] decrease in accounts receivable	22,697	[296]	75	22,476
[Increase] decrease in prepaid expenses	[196]	[233]	[1,332]	[1,761]
[Increase] decrease in inventory	9,046	[849]	4,268	12,465
[Increase] decrease in deferred outflows	10,063	2,165	3,850	16,078
Increase [decrease] in accrued liabilities	[974]	[361]	1,683	348
Increase [decrease] in deferred inflows	[2,735]	[588]	[1,046]	[4,369]
Increase [decrease] in net pension liability	[2,102]	[452]	[804]	[3,358]
Increase [decrease] in accounts payable	[52,397]	[44]	16,669	[35,772]
Increase [decrease] in accrued compensated absences	12,342	[6,679]	5,932	11,595
Net cash provided by [used in] operating activities	<u>\$ 346,948</u>	<u>\$ 159,384</u>	<u>\$ 324,634</u>	<u>\$ 830,966</u>

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

City of Burlington, Kansas

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2019

ASSETS

Cash and cash equivalents	\$ 56,958
Receivables (net of allowance for uncollectibles)	<u>12,791</u>
Total assets	<u>\$ 69,749</u>

LIABILITIES

Accounts payable	<u>\$ 13,855</u>
Total liabilities	<u>\$ 13,855</u>

NET POSITION

Net position	
Unreserved	
Undesignated	<u>\$ 55,894</u>
Total net position	<u>\$ 55,894</u>

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

City of Burlington, Kansas

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the Year Ended December 31, 2019

Additions	
Charges for services	\$ 149,064
Total additions	<u>149,064</u>
Deductions	
Contractual services	<u>146,512</u>
Total deductions	<u>146,512</u>
Change in net position	2,552
Net position, January 1	<u>52,681</u>
Net position, December 31	<u>\$ 55,233</u>

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

City of Burlington, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Burlington, Kansas, (the City) is a municipal corporation governed by a mayor and an elected six-member council. These financial statements present the City (the primary government) and exclude all component units of which the City appointed a voting majority of the unit's board and the City is either able to impose its will on the unit or a financial benefit or burden relationship exists. Thus, these financial statements of the City consist only of the funds of the primary government, excluding the Burlington Housing Authority.

The Burlington Housing Authority is a component unit for which the City appoints the governing board. The City makes no appropriation to the Burlington Housing Authority. Complete financial statements for this component unit are available from the Burlington Housing Authority.

B. Government-wide and fund financial statements

The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the City's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational requirements of a particular program. Taxes and other items which are not classified as program revenues are presented as general revenues of the City.

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 funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

City of Burlington, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on fixed assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

The private purpose trust funds are used to account for resources legally held in trust. Agency funds are custodial in nature and do not measure results of operations or have a measurement focus. Agency funds do, however, use the accrual basis of accounting.

The City reports the following major governmental funds:

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

The Bond and Interest Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for the payment.

The County/City Infrastructure Project Fund is used to account for designated special infrastructure projects.

The Infrastructure Fund is used to account for special infrastructure projects.

City of Burlington, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The City reports the following major proprietary funds:

Electric Utility Fund is used to account for the provision of electric service to the residents of the City. All activities necessary to provide electric service are accounted for in this fund.

Sewer Utility Fund is used to account for all sewer operations including administration, maintenance, financing and related debt service and billing collection. All operations are financed by means of customer user fees which are established by the governing body.

Water Utility Fund is used to account for the provision of water service to the residents of the City. All activities necessary to provide water service are accounted for in this fund, including administration, operations, maintenance, financing and related debt service and billing collection.

D. Assets, Liabilities and Equity

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments (including certificates of deposit) with original maturities of three months or less from the date of acquisition.

Kansas statutes authorize the City to invest in U.S. Treasury bills and notes, repurchase agreements, the Kansas Municipal Investment Pool, and certain other types of federal and Kansas municipal obligations. Investments are stated at cost.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

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

All trade and property tax receivables are shown net of an allowance for uncollectibles.

Collection of current year property tax by the County Treasurer is not completed, apportioned or distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current year operations of the City and therefore are not susceptible to accrual. Accruals of uncollected current year property taxes are offset by deferred revenue and are identical to the adopted budget for 2020.

It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the accounting period, and further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

City of Burlington, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

2. Receivables and Payables (Continued)

The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas are the responsibility of the various counties. The County Appraiser annually determines assessed valuations on January 1 and the County Clerk spreads the annual assessment on the tax rolls. Property taxes are levied as of November 1 and become a lien on the property as of that date. Payments are due November 1, becoming delinquent, with penalty, December 21. Payments of 50% are accepted through December 20, with the second 50% then being due on or before May 10 of the following year.

The County Treasurer is the tax collection agent for all taxing entities within the County. The initial distribution to the subdivisions, including the City, is on or before January 20 of the ensuing year. Additional amounts are distributed on four (4) subsequent dates throughout the calendar year.

The City maintains two revolving loan funds classified as permanent funds which make loans to local businesses.

3. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

4. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$3,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets used in governmental fund types of the City are recorded at cost or estimated historical cost if purchased or constructed.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

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 is included in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Property, plant and equipment of the primary government, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Equipment	5-25
Vehicles	5-10

City of Burlington, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

5. Restricted Assets

Certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside for their repayment and monies from meter deposits are classified as restricted assets on the balance sheet because their use is limited.

6. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. A liability is reported for one half of unpaid accumulated sick leave which is payable on retirement. Vacation pay and one half of sick leave is accrued when incurred in the governmental wide and proprietary funds and reported as a fund liability. Vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund, in the fund financial statements that will pay it.

7. 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 statements of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund statements, governmental fund types recognize bond premiums and discounts, as well as 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.

8. Fund Equity

In the fund financial statements, governmental funds report fund balance in the following classifications: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Restricted fund balance indicates that constraints have been placed on the use of resources either by being externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Committed fund balances include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city council. Assigned fund balances include amounts that are constrained by the City management's intent to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance 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. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available restricted amounts is considered to be spent first. When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balance is available, the following is the order in which resources will be expended: committed, assigned and unassigned.

City of Burlington, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

8. Fund Equity (Continued)

The following is the detail for fund balance classifications in the financial statements:

	Major Governmental Funds				Other Governmental Funds	Total Governmental Funds
	General	Bond and Interest	County/City Infrastructure Project	Infrastructure		
Fund Balances:						
Restricted for:						
Debt retirement	\$ -	\$ 4,028	\$ -	\$ -	\$ -	\$ 4,028
Economic development	-	-	-	-	21,300	21,300
Liability coverage	-	-	-	-	13,062	13,062
Highways and streets	-	-	-	-	457,221	457,221
Culture and recreation	-	-	-	-	24,798	24,798
Cemetery	-	-	-	-	13,720	13,720
Committed for:						
Economic development	-	-	-	-	230,725	230,725
Equipment outlay	-	-	-	-	188,500	188,500
Special improvements	-	-	880,882	1,678,151	5,393	2,564,426
Public Safety	-	-	-	-	1,101	1,101
Highways and streets	-	-	-	-	81,525	81,525
Culture and recreation	-	-	-	-	474,516	474,516
Unassigned:	393,390	-	-	-	-	393,390
Total Fund Balances	\$ 393,390	\$ 4,028	\$ 880,882	\$ 1,678,151	\$ 1,511,861	\$ 4,468,312

9. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates

10. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports the deferred charge on refunding, changes in the net pension liability and OPEB proportion, net difference between projected and actual earnings, contributions subsequent to the measurement date and differences between expected and actual experience as deferred outflows of resources in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

10. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government funds report unavailable revenues from one source: property taxes. Differences between expected and actual experience, differences between projected and actual investment earnings, changes in assumptions and changes in the pension and OPEB liability proportion are reported as deferred inflows in the government activities.

11. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service fund, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in the local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of the notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The 2019 budget was not amended.

The statutes permit management to transfer budgeted amounts between accounts within an individual fund. However, such statutes prohibit management from incurring expenditures in excess of the total amount of the adopted budget for expenditures of individual funds without first following the amendment procedures mentioned in the above paragraph. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

City of Burlington, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

All legal annual operating budgets are prepared using the statutory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for the fiduciary funds.

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

The actual data presented in the budgetary comparison statements differs from the data presented in accordance with accounting principles generally accepted in the United States of America (GAAP). The following is a summary of the effects on the ending fund balances caused by the difference in accounting between the budgetary basis and GAAP.

	Major Governmental Funds				Other Governmental Funds	Total Governmental Funds
	General	Bond and Interest	County/City Infrastructure Project	Infrastructure		
GAAP FUND BALANCE December 31, 2019	\$ 393,390	\$ 4,028	\$ 880,882	\$ 1,678,151	\$ 1,511,861	\$ 4,468,312
Adjustments:						
Unreserved fund balances not subject to the Kansas Budget Law:						
Infrastructure Fund	-	-	-	[1,678,151]	-	[1,678,151]
Drug Forfeiture	-	-	-	-	[1,101]	[1,101]
Revolving Loan (CDBG)	-	-	-	-	[136,805]	[136,805]
Revolving Loan (Coffey County)	-	-	-	-	[93,920]	[93,920]
Special Cemetery Trust	-	-	-	-	[13,720]	[13,720]
Cemetery cash balance	[67,746]	-	-	-	-	[67,746]
Total deductions	[67,746]	-	-	[1,678,151]	[245,546]	[1,991,443]
BUDGETARY FUND BALANCE December 31, 2019	\$ 325,644	\$ 4,028	\$ 880,882	\$ -	\$ 1,266,315	\$ 2,476,869

City of Burlington, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The City's cash is considered to be active funds by management and is invested according to K.S.A. 9-1401. The statute requires that banks eligible to hold active funds have a main or branch bank in the county in which the City is located or an adjacent county and the banks provide an acceptable rate for active funds.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy for custodial credit risk require that the depository banks will maintain 100% security in the form of FDIC coverage and pledged collateral according to K.S.A. 9-1402. The Kansas State Treasurer's Fiscal Agency Department held an unsecured and uncollateralized deposit of \$8,580.

The City does not have any formal investment policies that would further limit concentration of credit risk, interest rate, or custodial credit risks beyond state statutes.

B. Receivables

Receivables as of year-end, including the applicable allowances for uncollectible accounts, are as follows:

	General	Bond and Interest	Other Governmental	Electric Utility	Sewer Utility	Water Utility	Fiduciary	Totals
Receivables:								
Taxes	\$ 610,512	\$ 54,508	\$ 28,244	\$ -	\$ -	\$ -	\$ -	\$ 693,264
Notes	-	-	4,774	-	-	-	-	4,774
Accounts	-	-	-	288,404	34,152	87,437	12,791	422,784
Net total receivables	<u>\$ 610,512</u>	<u>\$ 54,508</u>	<u>\$ 33,018</u>	<u>\$ 288,404</u>	<u>\$ 34,152</u>	<u>\$ 87,437</u>	<u>\$ 12,791</u>	<u>\$ 1,120,822</u>

Notes receivables consist of loans to businesses for local economic development activities.

City of Burlington, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

III. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2019, was as follows:

	Balance 12/31/2018	Additions	Retirements	Balance 12/31/2019
City governmental activities:				
Capital assets, being depreciated				
Land & Buildings	\$ 4,569,238	\$ 137,500	\$ -	\$ 4,706,738
Equipment	1,482,488	11,207	9,711	1,483,985
Vehicles	<u>828,234</u>	<u>37,010</u>	<u>36,850</u>	<u>828,394</u>
Total capital assets	<u>6,879,960</u>	<u>185,717</u>	<u>46,561</u>	<u>7,019,116</u>
Less accumulated depreciation for:				
Buildings	1,996,983	149,673	-	2,146,656
Equipment	1,900,262	66,631	7,121	1,959,772
Vehicles	<u>623,787</u>	<u>56,309</u>	<u>31,281</u>	<u>648,815</u>
Total accumulated depreciation	<u>4,521,032</u>	<u>272,612</u>	<u>38,402</u>	<u>4,755,242</u>
Governmental activities capital assets, net	<u>\$ 2,358,928</u>	<u>\$ [86,895]</u>	<u>\$ 8,158</u>	<u>\$ 2,263,874</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 246,649	\$ -	\$ -	\$ 246,649
Capital assets, being depreciated				
Plant	41,443,551	-	-	41,443,551
Machinery and equipment	<u>1,091,919</u>	<u>-</u>	<u>17,131</u>	<u>1,074,788</u>
Total capital assets	<u>42,782,119</u>	<u>-</u>	<u>17,131</u>	<u>42,764,988</u>
Less accumulated depreciation for:				
Plant	19,865,597	1,202,918	-	21,068,515
Machinery and equipment	<u>976,971</u>	<u>23,672</u>	<u>17,131</u>	<u>983,512</u>
Total accumulated depreciation	<u>20,842,568</u>	<u>1,226,590</u>	<u>17,131</u>	<u>22,052,027</u>
Business-type activities capital assets, net	<u>\$ 21,939,551</u>	<u>\$ [1,226,590]</u>	<u>\$ -</u>	<u>\$ 20,712,961</u>

City of Burlington, Kansas
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

III. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

The City's depreciation expense was charged to governmental functions as follows:

Governmental Activities:

General government	\$ 23,021
Culture and recreation	52,295
Highway and streets	153,256
Public safety	<u>44,040</u>

Total depreciation	<u>\$ 272,612</u>
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Business-type Activities:

Electric	\$ 312,897
Sewer	601,724
Water	<u>311,970</u>

Total depreciation	<u>\$ 1,226,590</u>
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D. Long-term Debt

General Obligation Bonds. The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for the proprietary activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. The bonds generally are issued with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

	<u>Issue</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
Paid with taxes					
Series 2012-A		2.00 - 2.30%	9/1/2024	\$ 825,000	\$ 330,000
Paid with utility revenues					
Series 2012-A		2.00 - 2.40%	9/1/2025	3,560,000	1,615,000
Series 2012-B		3.00%	1/5/2052	5,800,000	5,210,590
Series 2013-A		2.50%	2/27/2053	<u>3,360,000</u>	<u>3,041,567</u>
Total				<u>\$ 13,545,000</u>	<u>\$ 10,197,157</u>

City of Burlington, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Debt (Continued)

Annual debt service requirements to maturity for the general obligation bonds and notes are as follows:

Year Ending December 31,	Governmental activities		Business-type activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 70,000	\$ 6,925	\$ 437,414	\$ 266,879	\$ 507,414	\$ 273,804
2021	70,000	5,525	446,698	256,896	516,698	262,421
2022	70,000	4,125	456,102	246,691	526,102	250,816
2023	70,000	2,690	465,631	236,114	535,631	238,804
2024	50,000	1,150	475,290	224,857	525,290	226,007
2025-2029	-	-	1,066,065	1,001,152	1,066,065	1,001,152
2030-2034	-	-	1,063,982	859,874	1,063,982	859,874
2035-2039	-	-	1,222,608	701,248	1,222,608	701,248
2040-2044	-	-	1,405,073	518,782	1,405,073	518,782
2045-2049	-	-	1,614,991	308,775	1,614,991	308,775
2050-2053	-	-	1,213,302	74,856	1,213,302	74,856
Total	<u>\$ 330,000</u>	<u>\$ 20,415</u>	<u>\$ 9,867,157</u>	<u>\$ 4,696,125</u>	<u>\$ 10,197,157</u>	<u>\$ 4,716,540</u>

City of Burlington, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Debt (Continued)

Changes in Long-term Liabilities. During the year ended December 31, 2019, the following changes occurred in long-term liabilities:

	Balance January 1, 2019	Additions/ Adjustments	Retirements	Balance December 31, 2019
<u>Governmental activities</u>				
General obligation bonds	\$ 395,000	\$ -	\$ 65,000	\$ 330,000
Premium on general obligation bonds	9,792	-	1,632	8,160
Total general obligation bonds	<u>404,792</u>	<u>-</u>	<u>66,632</u>	<u>338,160</u>
Compensated absences	<u>205,505</u>	<u>216,628</u>	<u>205,505</u>	<u>216,628</u>
Total	<u>\$ 610,297</u>	<u>\$ 216,628</u>	<u>\$ 272,137</u>	<u>\$ 554,788</u>
<u>Business-type activities</u>				
General obligation bonds	\$ 10,290,407	\$ -	\$ 423,249	\$ 9,867,157
Premium on general obligation bonds	43,330	-	6,190	37,140
Total general obligation bonds	<u>10,333,737</u>	<u>-</u>	<u>429,439</u>	<u>9,904,297</u>
Compensated absences	<u>147,327</u>	<u>158,922</u>	<u>147,327</u>	<u>158,922</u>
Total	<u>\$ 10,481,064</u>	<u>\$ 158,922</u>	<u>\$ 576,766</u>	<u>\$ 10,063,219</u>

City of Burlington, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Debt (Continued)

Special Assessments. As provided by Kansas statutes, projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the debt service fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the debt service fund. The special assessments receivable are not recorded as revenue when levied against the respective property owners as such amounts are not available to finance current year operations. The special assessment debt is a contingent liability of the City to the extent of property owner defaults which have historically been immaterial.

Conduit Debt Obligations. From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State of Kansas nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2019 there are two series of Industrial Revenue Bonds outstanding, with an aggregate original principal amount payable of \$150,000,000.

IV. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. No significant reductions in insurance coverage from that of the prior year have occurred. The City's insurance coverage does not cover the risk of loss to the electrical distribution system due to wind or ice storms. Settlements have not exceeded insurance coverage for each of the past three years.

B. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

C. Defined Benefit Pension Plan

Description of Pension Plan. The City participates in a cost-sharing multiple-employer pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERS), a body corporate and an instrumentality of the State of Kansas. KPERS provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

- Public employees, which includes:
 - ◆ State/School employees
 - ◆ Local employees
- Police and Firemen
- Judges

City of Burlington, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

IV. OTHER INFORMATION (Continued)

C. Defined Benefit Pension Plan (Continued)

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected.

Those employees participating in the Pension Plan for the City are included in the Local employees group.

KPERS issues a stand-alone comprehensive annual financial report, which is available on the KPERS website at www.kpers.org.

Benefits. Benefits are established by statute and may only be changed by the State Legislature. Members (except Police and Firemen) with ten or more years of credited service, may retire as early as age 55 (Police and Firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of service equal 85.

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Members choose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump-sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current members and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2015, was created. Normal retirement age for KPERS 3 is 65 with five years of service or 60 with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

Contributions. Member contributions are established by state law and are paid by the employee according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the fiscal year ended June 30, 2019.

City of Burlington, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

IV. OTHER INFORMATION (Continued)

C. Defined Benefit Pension Plan (Continued)

The actuarially determined employer contribution rates (not including the 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rates are as follows:

	Actuarial <u>Employer Rate</u>	Statutory Employer <u>Capped Rate</u>
Local government employees	8.89%	8.89%

Member contribution rates as a percentage of eligible compensation for the KPERS fiscal year 2019 are 6.00% for Local employees.

Employer Allocations. Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State/School
- Local
- Police and Firemen
- Judges

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer.

The allocation percentages for the City's share of the collective pension amounts as of December 31, 2019, are based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal years ended December 31, 2019.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2019, the City's proportion for the Local employees group was 0.100%, which was a decrease of .001% from its proportion measured at June 30, 2018.

Net Pension Liability. At December 31, 2019 and 2018, the City reported a liability of \$1,398,462 and \$1,404,663, respectively, for its total proportionate share of the net pension liability for the Local group.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019, using the following actuarial assumptions:

<u>Assumptions</u>	<u>Rate</u>
Actuarial cost method	Entry age normal
Inflation	2.75%
Salary increases, including wage increases	3.50% to 12.00%, including price inflation
Long-term rate of return, net of investment expense, and including price inflation	7.75%

City of Burlington, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

IV. OTHER INFORMATION (Continued)

C. Defined Benefit Pension Plan (Continued)

Mortality rates were based on the RP 2014 Mortality Table, with age setbacks and set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016.

The actuarial assumptions used in the December 31, 2018, valuation were based on the results of an actuarial experience study conducted for the period of January 1, 2013, through December 31, 2015. The experience study is dated November 18, 2016.

The long-term expected rate of return of 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.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019, are summarized in the following table:

<u>Asset</u>	<u>Long-Term Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	47.00%	6.85%
Fixed Income	13.00%	1.25%
Yield driven	8.00%	6.55%
Real return	11.00%	1.71%
Real estate	11.00%	5.05%
Alternatives	8.00%	9.85%
Short-term investments	<u>2.00%</u>	-0.25%
	<u>100.00%</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The State, School and Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the System's Board of Trustees for these groups may not increase by more than the statutory cap. The expected KPERs employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Employers contribute the full actuarial determined rate for Police & Firemen, and Judges. Future employer contribution rates were also modeled for Police & Firemen and Judges, assuming all actuarial assumptions are met in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments 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, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

IV. OTHER INFORMATION (Continued)

C. Defined Benefit Pension Plan (Continued)

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.75%) or 1-percentage point higher (8.75%) than the current rate:

<u>1% Decrease (6.75%)</u>	<u>Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
<u>\$2,088,633</u>	<u>\$1,398,462</u>	<u>\$821,147</u>

Pension Expense. For the year ended December 31, 2018, the City recognized Local pension expense of \$124,792, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the Local group from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between actual and expected experience	\$ 3,061	\$ 35,219
Net differences between projected and actual earnings on investments	32,902	-
Changes in proportion	29,299	26,317
Changes in assumptions	42,742	2,834
Total	<u>\$ 108,004</u>	<u>\$ 64,370</u>

\$84,002 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31,</u>	<u>Deferred [Inflows] Outflows Amount</u>
2020	\$ 40,209
2021	[8,886]
2022	6,760
2023	6,033
2024	[482]
Total	<u>\$ 43,634</u>

City of Burlington, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

IV. OTHER INFORMATION (Continued)

D. Interfund Transfers

A reconciliation of transfers by fund type for 2019 follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
General Fund	Equipment Reserve Fund	\$ 35,000	K.S.A. 12-1117
Electric Utility Fund	General Fund	95,000	K.S.A. 12-825d
Sewer Utility Fund	General Fund	5,000	K.S.A. 12-825d
Water Utility Fund	General Fund	25,000	K.S.A. 12-825d
Sewer Utility Fund	Infrastructure Fund	<u>384,771</u>	K.S.A. 12-825d
		<u>\$ 544,771</u>	

The City uses interfund transfers to share administrative costs between funds.

E. Postemployment Healthcare Plan

Plan Description. The City provides for a continuation of medical, prescription drug, hearing and vision insurance benefits to eligible early retirees and their spouses. K.S.A. 12-5040 requires all local governmental entities in the state that provide a group health care plan to make participation available to all retirees and dependents until the retiree reaches the age of 65 years. No separate financial report is issued for the Plan.

Funding Policy. The contribution requirements of plan participants and the City are established and amended by the City. The required contribution is based on projected pay-as-you-go financing requirements. Plan participants contributed approximately 100% of the total premiums to the Plan, through their required contribution of \$694 per month for retiree-only coverage and \$2,192, per month, for retiree and dependent coverage.

At December 31, 2019, the following employees were covered by the benefit terms.

Active employees	36
Retirees and covered spouses	<u>-</u>
Total	<u>36</u>

Actuarial Assumptions. The City's total OPEB liability of \$24,629 was measured as of December 31, 2019 and was determined by an actuarial valuation as of that date.

City of Burlington, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

IV. OTHER INFORMATION (Continued)

E. Other Postemployment Healthcare Plan (Continued)

The total OPEB liability in the December 31, 2019, actuarial valuation was determined using the following assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Valuation date	December 31, 2019
Actuarial cost method	Entry age, level percentage of pay
Discount rate	2.75%
Healthcare cost trend rates	Medical & Pharmacy: 6.75% for 2019, decreasing 0.50% per year until 2021 then decreasing 0.25% to an ultimate rate of 4.25% for 2027 and later years
Retiree's share of benefit related costs	100% of premium equivalent rates

The discount rate was based on an index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of Aa or higher.

Mortality rates were based on RP2000 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups.

Changes in the total OPEB liability are as follows:

	Total OPEB Liability
Balance 1/1/2019	\$ 32,616
Service cost	1,054
Interest cost	1,249
Difference between expected and actual experience	[12,446]
Change in assumptions	2,156
Balance 12/31/2019	<u>\$ 24,629</u>

Sensitivity of the City's OPEB Liability to Changes in the Discount Rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.75%) or one percentage point higher (3.75%) than the current discount rate:

	1% Decrease (1.75%)	Discount Rate (2.75%)	1% increase (3.75%)
Total OPEB Liability	<u>\$ 27,095</u>	<u>\$ 24,629</u>	<u>\$ 22,387</u>

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.75% decreasing to 3.25%) or one percentage point higher (7.75% decreasing to 5.25%) than the current healthcare cost trend rate:

City of Burlington, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

IV. OTHER INFORMATION (Continued)

E. Other Postemployment Healthcare Plan (Continued)

	1% Decrease (5.75% decreasing to 3.25%)	Healthcare Cost Trend Rates (6.75% decreasing to 4.25%)	1% increase (7.75% decreasing to 5.25%)
Total OPEB Liability	\$ 21,612	\$ 24,629	\$ 28,212

OPEB Expense. For the year ended December 31, 2019, the City recognized \$[1,530] in OPEB expense.

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2019, the City reported deferred inflows of resources related to other postemployment benefits from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ -	\$ [11,616]
Changes in assumptions	975	-
	<u>\$ 975</u>	<u>\$ [11,616]</u>

Amounts reported as deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended December 31,	Deferred [inflows] Amount
2020	\$ [773]
2021	[773]
2022	[773]
2023	[773]
2024	[773]
2025 +	<u>[6,776]</u>
Total	<u>\$ [10,641]</u>

F. Other Postemployment Healthcare Plan (KPERS)

Plan Description. The City participates in a multiple-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

City of Burlington, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

IV. OTHER INFORMATION (Continued)

F. Other Postemployment Healthcare Plan (KPERS) (Continued)

Benefits. Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66 2/3 percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of \$100 and a maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first.

If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the members previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

Employees Covered by Benefit Terms. At June 30, 2019, the valuation date, the following employees were covered by the benefit terms:

Active employees	38
Disabled members	<u>-</u>
Total	<u>38</u>

Total OPEB Liability. The City's total KPERS OPEB liability of \$43,156 reported as of December 31, 2019, was measured as of June 30, 2019, and was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019, using the following actuarial assumptions:

City of Burlington, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

IV. OTHER INFORMATION (Continued)

F. Other Postemployment Healthcare Plan (KPERs) (Continued)

Valuation date	December 31, 2018
Actuarial cost method	Entry age normal
Inflation	2.75%
Salary increases	3.50%
Discount rate (based on 20 year municipal bond rate with an average rating of AA/Aa or better, obtained through the Bond Buyer General Obligation 20-Bond Municipal Index)	3.50%

The discount rate was based on the bond buyer general obligation 20-bond municipal index.

Mortality rates were based on the RP 2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2019.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period of January 1, 2013 through December 31, 2015. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2018 KPERs pension valuation.

The changes in the total KPERs OPEB liability are as follows:

	Total KPERs OPEB Liability
Balance 1/1/2019	\$ 43,570
Service cost	6,254
Interest	1,928
Difference between expected and actual experience	[9,311]
Changes in assumptions	715
Balance 12/31/2019	<u>\$ 43,156</u>

Sensitivity of the total KPERs OPEB liability to changes in the discount rate. The following presented the total KPERs OPEB liability of the City, as well as what the City's total KPERs OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% increase (4.50%)
Total OPEB Liability	<u>\$ 44,982</u>	<u>\$ 43,156</u>	<u>\$ 41,161</u>

City of Burlington, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

IV. OTHER INFORMATION (Continued)

F. Other Postemployment Healthcare Plan (KPERS) (Continued)

Sensitivity of the total KPERS OPEB liability to changes in the healthcare cost trend rates. The following presented the total KPERS OPEB liability of the City calculated using the current healthcare cost trend rates as well as what the City's total KPERS OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates. The reader should note that healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS, but this exhibit is provided as it is a required disclosure under GASB 75.

	Healthcare Cost		
	<u>1% Decrease</u>	<u>Trend Rates</u>	<u>1% increase</u>
Total OPEB Liability	\$ 43,156	\$ 43,156	\$ 43,156

OPEB Expense. For the year ended June 30, 2019, the City recognized OPEB expense of \$6,250.

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2019, the City reported deferred inflows related to KPERS other postemployment benefits from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ [14,927]
Changes of assumptions	642	[1,350]
Total	\$ 642	\$ [16,277]

\$9,449 reported as deferred outflows of resources related to postemployment benefits resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred [inflows] Amounts</u>
2020	\$ [1,932]
2021	[1,932]
2022	[1,932]
2023	[1,932]
2024	[1,932]
Thereafter	[5,975]
Total	\$ [15,635]

City of Burlington, Kansas

REQUIRED SUPPLEMENTARY INFORMATION

Year ended December 31, 2019

OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS

Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years*

Total OPEB liability	<u>2019</u>	<u>2018</u>	<u>2017</u>
Service cost	\$ 1,054	\$ 2,037	\$ 1,978
Interest cost	1,249	1,084	984
Change in assumptions	2,156	[1,211]	-
Difference between expected and actual experience	<u>[12,446]</u>	<u>-</u>	<u>-</u>
Net change in total OPEB liability	[7,987]	1,910	2,962
Total OPEB liability - beginning	<u>32,616</u>	<u>30,706</u>	<u>27,744</u>
Total OPEB liability - ending	<u>\$ 24,629</u>	<u>\$ 32,616</u>	<u>\$ 30,706</u>
 Covered-employee payroll	 <u>\$ 2,272,519</u>	 <u>\$ 1,991,722</u>	 <u>\$ 1,933,711</u>
 Total net OPEB liability as a percentage of covered-employee payroll	 1.08%	 1.64%	 1.59%
 Actuarially determined contribution	 <u>\$ 2,573</u>	 <u>\$ 3,827</u>	 <u>\$ 3,716</u>
 Actual contribution	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>
 Contributions as a percentage of covered payroll	 0.00%	 0.00%	 0.00%

* - Data became available with the inception of GASB 75 during fiscal year 2017, therefore, 10 years of data is unavailable.

City of Burlington, Kansas

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

Year ended December 31, 2019

OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS - KPERS

Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years*

Total KPERS OPEB liability	<u>2019</u>	<u>2018</u>
Service cost	\$ 6,254	\$ 6,218
Interest	1,928	1,812
Difference between expected and actual experience	[9,311]	[8,283]
Changes in assumptions	<u>715</u>	<u>[556]</u>
Net change in total OPEB liability	[414]	[809]
Total OPEB liability - beginning	<u>43,570</u>	<u>44,379</u>
Total OPEB liability - ending	<u>\$ 43,156</u>	<u>\$ 43,570</u>
 Covered payroll	 <u>\$ 1,773,598</u>	 <u>\$ 1,783,929</u>
 Total OPEB liability as a percentage of covered payroll	 2.43%	 2.44%
 Actuarially determined contribution	 <u>\$ 18,504</u>	 <u>\$ 13,910</u>
 Actual contribution	 <u>\$ 18,504</u>	 <u>\$ 13,910</u>
 Contributions as a percentage of covered payroll	 1.04%	 0.78%

* - Data became available with the inception of GASB 75 during fiscal year 2018, therefore, 10 years of data is unavailable.

City of Burlington, Kansas

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

Year ended December 31, 2019

KPERS PENSION PLAN

Schedule of the City's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years*

	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>
City's proportion of the net pension liability	0.100%	0.101%	0.103%	0.098%	0.099%
City's proportionate share of the net pension liability	\$ 1,398,462	\$ 1,404,663	\$ 1,484,913	\$ 1,517,806	\$ 1,301,332
City's covered-employee payroll	\$ 1,839,762	\$ 1,785,078	\$ 1,716,455	\$ 1,717,854	\$ 1,657,001
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	76.01%	78.69%	86.51%	88.35%	78.54%
Plan fiduciary net position as a percentage of the total pension liability	75.02%	74.22%	72.15%	68.55%	71.98%

* - The amounts presented for each fiscal year were determined as of 12/31. Data became available with the inception of GASB 68 during fiscal year 2015, therefore, 10 years of data is unavailable.

Schedule of the City's Contributions
Last Ten Fiscal Years*

	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>
Contractually required contribution	\$ 166,029	\$ 154,356	\$ 151,018	\$ 157,571	\$ 162,852
Contributions in relation to the contractually required contribution	<u>166,029</u>	<u>154,356</u>	<u>151,018</u>	<u>157,571</u>	<u>162,852</u>
Contribution deficiency [excess]	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 1,867,586	\$ 1,839,762	\$ 1,785,078	\$ 1,716,455	\$ 1,717,854
Contributions as a percentage of covered-employee payroll	8.89%	8.39%	8.46%	9.18%	9.48%

* - Data became available with the inception of GASB 68 during fiscal year 2015, therefore, 10 years of data is unavailable.

City of Burlington, Kansas

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2019

	Total Nonmajor Special Revenue <u>Funds</u>	Total Nonmajor Permanent <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
ASSETS			
Cash and cash equivalents	\$ 1,265,710	\$ 239,671	\$ 1,505,381
Receivables			
Taxes	28,244	-	28,244
Notes	-	4,774	4,774
Prepaid expenses	2,216	-	2,216
Total assets	<u>\$ 1,296,170</u>	<u>\$ 244,445</u>	<u>\$ 1,540,615</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 510	\$ -	\$ 510
Total liabilities	<u>510</u>	<u>-</u>	<u>510</u>
Deferred inflows of resources:			
Unavailable revenue - property taxes	28,244	-	28,244
Total deferred inflows of resources	<u>28,244</u>	<u>-</u>	<u>28,244</u>
Total liabilities and deferred inflows of resources	<u>28,754</u>	<u>-</u>	<u>28,754</u>
Fund balance:			
Restricted	516,381	13,720	530,101
Committed	751,035	230,725	981,760
Total fund balance [deficit]	<u>1,267,416</u>	<u>244,445</u>	<u>1,511,861</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,296,170</u>	<u>\$ 244,445</u>	<u>\$ 1,540,615</u>

See independent auditor's report on the financial statements.

City of Burlington, Kansas

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2019

	Total Nonmajor Special Revenue Funds	Total Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
Revenues			
Property tax	\$ 25,904	\$ -	\$ 25,904
Sales tax	272,795	-	272,795
Intergovernmental	390,611	-	390,611
Special assessments	4,225	-	4,225
Use of money and property	443	996	1,439
Total revenues	<u>693,978</u>	<u>996</u>	<u>694,974</u>
Expenditures			
Current			
General government	33,219	18,500	51,719
Highways and streets	420,775	-	420,775
Culture and recreation	10,017	-	10,017
Economic development	443	-	443
Capital outlay	32,212	-	32,212
Total expenditures	<u>496,666</u>	<u>18,500</u>	<u>515,166</u>
Excess [deficiency] of revenues over [under] expenditures	<u>197,312</u>	<u>[17,504]</u>	<u>179,808</u>
Other financing sources [uses]			
Transfers in	35,000	-	35,000
Total other financing sources [uses]	<u>35,000</u>	<u>-</u>	<u>35,000</u>
Net change in fund balance	232,312	[17,504]	214,808
Fund balance, beginning of year	<u>1,035,104</u>	<u>261,949</u>	<u>1,297,053</u>
Fund balance, end of year	<u>\$ 1,267,416</u>	<u>\$ 244,445</u>	<u>\$ 1,511,861</u>

See independent auditor's report on the financial statements.

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City of Burlington, Kansas

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2019

ASSETS	<u>Cemetery</u>	<u>Industrial Development</u>	<u>Equipment Reserve</u>	<u>Special Improvement</u>	<u>Drug Forfeiture</u>
Cash and cash equivalents	\$ -	\$ 21,300	\$ 188,500	\$ 4,794	\$ 1,101
Receivables (net of allowance for uncollectibles)	21,411	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	<u>\$ 21,411</u>	<u>\$ 21,300</u>	<u>\$ 188,500</u>	<u>\$ 4,794</u>	<u>\$ 1,101</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-
Deferred inflows of resources:					
Unavailable revenue - property taxes	21,411	-	-	-	-
Total deferred inflows of resources	21,411	-	-	-	-
Total liabilities and deferred inflows of resources	21,411	-	-	-	-
Fund balances					
Restricted	-	21,300	-	-	-
Committed	-	-	188,500	4,794	1,101
Total fund balances	-	21,300	188,500	4,794	1,101
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 21,411</u>	<u>\$ 21,300</u>	<u>\$ 188,500</u>	<u>\$ 4,794</u>	<u>\$ 1,101</u>

<u>Special Liability Expense</u>	<u>Special Highway</u>	<u>Special Parks and Recreation</u>	<u>Community Improvement</u>	<u>County/ City Street Project</u>	<u>County/ City Park Project</u>	<u>Totals</u>
\$ 10,846	\$ 457,542	\$ 24,798	\$ 599	\$ 81,525	\$ 474,705	\$ 1,265,710
6,833	-	-	-	-	-	28,244
<u>2,216</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,216</u>
<u>\$ 19,895</u>	<u>\$ 457,542</u>	<u>\$ 24,798</u>	<u>\$ 599</u>	<u>\$ 81,525</u>	<u>\$ 474,705</u>	<u>\$ 1,296,170</u>
\$ -	\$ 321	\$ -	\$ -	\$ -	\$ 189	\$ 510
-	321	-	-	-	189	510
<u>6,833</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,244</u>
<u>6,833</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,244</u>
<u>6,833</u>	<u>321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>189</u>	<u>28,754</u>
13,062	457,221	24,798	-	-	-	516,381
<u>-</u>	<u>-</u>	<u>-</u>	<u>599</u>	<u>81,525</u>	<u>474,516</u>	<u>751,035</u>
<u>13,062</u>	<u>457,221</u>	<u>24,798</u>	<u>599</u>	<u>81,525</u>	<u>474,516</u>	<u>1,267,416</u>
<u>\$ 19,895</u>	<u>\$ 457,542</u>	<u>\$ 24,798</u>	<u>\$ 599</u>	<u>\$ 81,525</u>	<u>\$ 474,705</u>	<u>\$ 1,296,170</u>

See independent auditor's report on the financial statements.

City of Burlington, Kansas

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2019

	<u>Cemetery</u>	<u>Industrial Development</u>	<u>Equipment Reserve</u>	<u>Special Improvement</u>	<u>Drug Forfeiture</u>
Revenues					
Property tax	\$ 24,314	\$ -	\$ -	\$ -	\$ -
Sales tax	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Special assessments	-	-	-	-	-
Use of money and property	-	443	-	-	-
Total revenues	<u>24,314</u>	<u>443</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
General government	24,314	-	-	-	-
Highways and streets	-	-	-	5,595	-
Culture and recreation	-	-	-	-	-
Capital outlay	-	-	5,500	-	-
Economic development	-	443	-	-	-
Total expenditures	<u>24,314</u>	<u>443</u>	<u>5,500</u>	<u>5,595</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	<u>-</u>	<u>-</u>	<u>[5,500]</u>	<u>[5,595]</u>	<u>-</u>
Other financing sources [uses]					
Transfers in	-	-	35,000	-	-
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>35,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	29,500	[5,595]	-
Fund balances, January 1	<u>-</u>	<u>21,300</u>	<u>159,000</u>	<u>10,389</u>	<u>1,101</u>
Fund balances, December 31	<u>\$ -</u>	<u>\$ 21,300</u>	<u>\$ 188,500</u>	<u>\$ 4,794</u>	<u>\$ 1,101</u>

<u>Special Liability Expense</u>	<u>Special Highway</u>	<u>Special Parks and Recreation</u>	<u>Community Improvement</u>	<u>County/ City Street Project</u>	<u>County/ City Park Project</u>	<u>Totals</u>
\$ 1,590	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,904
-	272,795	-	-	-	-	272,795
-	69,998	813	-	209,865	109,935	390,611
-	-	-	113	4,112	-	4,225
-	-	-	-	-	-	443
<u>1,590</u>	<u>342,793</u>	<u>813</u>	<u>113</u>	<u>213,977</u>	<u>109,935</u>	<u>693,978</u>
8,905	-	-	-	-	-	33,219
-	245,360	-	-	169,820	-	420,775
-	-	-	-	-	10,017	10,017
-	-	-	-	14,074	12,638	32,212
-	-	-	-	-	-	443
<u>8,905</u>	<u>245,360</u>	<u>-</u>	<u>-</u>	<u>183,894</u>	<u>22,655</u>	<u>496,666</u>
<u>[7,315]</u>	<u>97,433</u>	<u>813</u>	<u>113</u>	<u>30,083</u>	<u>87,280</u>	<u>197,312</u>
-	-	-	-	-	-	35,000
-	-	-	-	-	-	35,000
[7,315]	97,433	813	113	30,083	87,280	232,312
<u>20,377</u>	<u>359,788</u>	<u>23,985</u>	<u>486</u>	<u>51,442</u>	<u>387,236</u>	<u>1,035,104</u>
<u>\$ 13,062</u>	<u>\$ 457,221</u>	<u>\$ 24,798</u>	<u>\$ 599</u>	<u>\$ 81,525</u>	<u>\$ 474,516</u>	<u>\$ 1,267,416</u>

See independent auditor's report on the financial statements.

City of Burlington, Kansas

COMBINING BALANCE SHEET
NONMAJOR PERMANENT FUNDS
December 31, 2019

ASSETS	Revolving Loan (CDBG)	Revolving Loan (Coffey County)	Special Cemetery Trust	Totals
Cash and cash equivalents	\$ 132,031	\$ 93,920	\$ 13,720	\$ 239,671
Note receivable	<u>4,774</u>	<u>-</u>	<u>-</u>	<u>4,774</u>
Total assets	<u>\$ 136,805</u>	<u>\$ 93,920</u>	<u>\$ 13,720</u>	<u>\$ 244,445</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Reserve				
Restricted	-	-	13,720	13,720
Committed	<u>136,805</u>	<u>93,920</u>	<u>-</u>	<u>230,725</u>
Total fund balances	<u>136,805</u>	<u>93,920</u>	<u>13,720</u>	<u>244,445</u>
Total liabilities and fund balances	<u>\$ 136,805</u>	<u>\$ 93,920</u>	<u>\$ 13,720</u>	<u>\$ 244,445</u>

See independent auditor's report on the financial statements.

City of Burlington, Kansas

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
For the Year Ended December 31, 2019

	Revolving Loan (CDBG)	Revolving Loan (Coffey County)	Special Cemetery Trust	Totals
Revenues				
Use of money and property	\$ 258	\$ 738	\$ -	\$ 996
Total revenues	<u>258</u>	<u>738</u>	<u>-</u>	<u>996</u>
Expenditures				
General government	<u>-</u>	<u>18,500</u>	<u>-</u>	<u>18,500</u>
Total expenditures	<u>-</u>	<u>18,500</u>	<u>-</u>	<u>18,500</u>
Net change in fund balances	258	[17,762]	-	[17,504]
Fund balances, January 1	<u>136,547</u>	<u>111,682</u>	<u>13,720</u>	<u>261,949</u>
Fund balances, December 31	<u>\$ 136,805</u>	<u>\$ 93,920</u>	<u>\$ 13,720</u>	<u>\$ 244,445</u>

See independent auditor's report on the financial statements.

City of Burlington, Kansas

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
CEMETERY FUND
For the Year Ended December 31, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Property tax	\$ 24,314	\$ -	\$ 24,314	\$ 24,978	\$ 24,978	\$ [664]
Total revenues	24,314	-	24,314	24,978	24,978	[664]
Expenditures						
General government Appropriation	24,314	-	24,314	24,978	24,978	664
Total expenditures	24,314	-	24,314	24,978	24,978	664
Excess [deficiency] of revenues over [under] expenditures	-	-	-	\$ -	\$ -	\$ -
Fund balance, January 1	-	-	-			
Fund balance, December 31	\$ -	\$ -	\$ -			

See independent auditor's report on the financial statements.

City of Burlington, Kansas

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
INDUSTRIAL DEVELOPMENT FUND
For the Year Ended December 31, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Use of money and property	\$ 443	\$ -	\$ 443	\$ 1,943	\$ 1,943	\$ [1,500]
Total revenues	<u>443</u>	<u>-</u>	<u>443</u>	<u>1,943</u>	<u>1,943</u>	<u>[1,500]</u>
Expenditures						
Economic development						
Contractual services	<u>443</u>	<u>-</u>	<u>443</u>	<u>23,243</u>	<u>23,243</u>	<u>22,800</u>
Total expenditures	<u>443</u>	<u>-</u>	<u>443</u>	<u>23,243</u>	<u>23,243</u>	<u>22,800</u>
Excess [deficiency] of revenues over [under] expenditures	-	-	-	\$ <u>[21,300]</u>	\$ <u>[21,300]</u>	\$ <u>21,300</u>
Fund balance, January 1	<u>21,300</u>	<u>-</u>	<u>21,300</u>			
Fund balance, December 31	<u>\$ 21,300</u>	<u>\$ -</u>	<u>\$ 21,300</u>			

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City of Burlington, Kansas

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
EQUIPMENT RESERVE FUND
For the Year Ended December 31, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-	-
Expenditures						
General government						
Capital outlay	5,500	-	5,500	200,500	200,500	195,000
Total expenditures	5,500	-	5,500	200,500	200,500	195,000
Excess [deficiency] of revenues over [under] expenditures	[5,500]	-	[5,500]	[200,500]	[200,500]	195,000
Other financing sources [uses]						
Transfers in	35,000	-	35,000	35,000	35,000	-
Total other financing sources [uses]	35,000	-	35,000	35,000	35,000	-
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	29,500	-	29,500	\$ [165,500]	\$ [165,500]	\$ 195,000
Fund balance, January 1	159,000	-	159,000			
Fund balance, December 31	\$ 188,500	\$ -	\$ 188,500			

See independent auditor's report on the financial statements.

City of Burlington, Kansas

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
SPECIAL IMPROVEMENT FUND
For the Year Ended December 31, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Reimbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-	-
Expenditures						
Highways and streets						
Contractual services	5,595	-	5,595	10,389	10,389	4,794
Total expenditures	5,595	-	5,595	10,389	10,389	4,794
Excess [deficiency] of revenues over [under] expenditures	[5,595]	-	[5,595]	\$ [10,389]	\$ [10,389]	\$ 4,794
Fund balance, January 1	10,389	-	10,389			
Fund balance, December 31	\$ 4,794	\$ -	\$ 4,794			

See independent auditor's report on the financial statements.

City of Burlington, Kansas

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
SPECIAL LIABILITY EXPENSE FUND
For the Year Ended December 31, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Property tax	\$ 1,590	\$ -	\$ 1,590	\$ 1,677	\$ 1,677	\$ [87]
Total revenues	<u>1,590</u>	<u>-</u>	<u>1,590</u>	<u>1,677</u>	<u>1,677</u>	<u>[87]</u>
Expenditures						
General government						
Contractual services	<u>8,905</u>	<u>-</u>	<u>8,905</u>	<u>20,000</u>	<u>20,000</u>	<u>11,095</u>
Total expenditures	<u>8,905</u>	<u>-</u>	<u>8,905</u>	<u>20,000</u>	<u>20,000</u>	<u>11,095</u>
Excess [deficiency] of revenues over [under] expenditures	[7,315]	-	[7,315]	<u>\$ [18,323]</u>	<u>\$ [18,323]</u>	<u>\$ 11,008</u>
Fund balance, January 1	<u>20,377</u>	<u>-</u>	<u>20,377</u>			
Fund balance, December 31	<u>\$ 13,062</u>	<u>\$ -</u>	<u>\$ 13,062</u>			

See independent auditor's report on the financial statements.

City of Burlington, Kansas

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
SPECIAL HIGHWAY FUND
For the Year Ended December 31, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Sales tax	\$ 272,795	\$ -	\$ 272,795	\$ 262,500	\$ 262,500	\$ 10,295
Intergovernmental	69,998	-	69,998	70,760	70,760	[762]
Total revenues	342,793	-	342,793	333,260	333,260	9,533
Expenditures						
Highways and streets						
Contractual services	245,360	-	245,360	566,676	566,676	321,316
Total expenditures	245,360	-	245,360	566,676	566,676	321,316
Excess [deficiency] of revenues over [under] expenditures	97,433	-	97,433	\$ [233,416]	\$ [233,416]	\$ 330,849
Fund balance, January 1	359,788	-	359,788			
Fund balance, December 31	\$ 457,221	\$ -	\$ 457,221			

See independent auditor's report on the financial statements.

City of Burlington, Kansas

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
SPECIAL PARKS AND RECREATION FUND
For the Year Ended December 31, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Intergovernmental	\$ 813	\$ -	\$ 813	\$ 1,058	\$ 1,058	\$ [245]
Total revenues	<u>813</u>	<u>-</u>	<u>813</u>	<u>1,058</u>	<u>1,058</u>	<u>[245]</u>
Expenditures						
Culture and recreation						
Contractual services	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,142</u>	<u>25,142</u>	<u>25,142</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,142</u>	<u>25,142</u>	<u>25,142</u>
Excess [deficiency] of revenues over [under] expenditures	813	-	813	<u>\$ [24,084]</u>	<u>\$ [24,084]</u>	<u>\$ 24,897</u>
Fund balance, January 1	<u>23,985</u>	<u>-</u>	<u>23,985</u>			
Fund balance, December 31	<u>\$ 24,798</u>	<u>\$ -</u>	<u>\$ 24,798</u>			

See independent auditor's report on the financial statements.

City of Burlington, Kansas

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
COMMUNITY IMPROVEMENT FUND
For the Year Ended December 31, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Special assessments	\$ 113	\$ -	\$ 113	\$ 100	\$ 100	\$ 13
Total revenues	113	-	113	100	100	13
Expenditures						
General government						
Contractual services	-	-	-	386	386	386
Total expenditures	-	-	-	386	386	386
Excess [deficiency] of revenues over [under] expenditures	113	-	113	\$ [286]	\$ [286]	\$ 399
Fund balance, January 1	486	-	486			
Fund balance, December 31	\$ 599	\$ -	\$ 599			

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City of Burlington, Kansas

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
COUNTY/CITY STREET PROJECT FUND
For the Year Ended December 31, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Intergovernmental	\$ 209,865	-	\$ 209,865	\$ 209,864	\$ 209,864	\$ 1
Special assessments	<u>4,112</u>	<u>-</u>	<u>4,112</u>	<u>2,094</u>	<u>2,094</u>	<u>2,018</u>
Total revenues	<u>213,977</u>	<u>-</u>	<u>213,977</u>	<u>211,958</u>	<u>211,958</u>	<u>2,019</u>
Expenditures						
Highways and streets						
Contractual services	169,820	-	169,820	245,174	245,174	75,354
Capital outlay	<u>14,074</u>	<u>-</u>	<u>14,074</u>	<u>17,500</u>	<u>17,500</u>	<u>3,426</u>
Total expenditures	<u>183,894</u>	<u>-</u>	<u>183,894</u>	<u>262,674</u>	<u>262,674</u>	<u>78,780</u>
Excess [deficiency] of revenues over [under] expenditures	30,083	-	30,083	<u>\$ [50,716]</u>	<u>\$ [50,716]</u>	<u>\$ 80,799</u>
Fund balance, January 1	<u>51,442</u>	<u>-</u>	<u>51,442</u>			
Fund balance, December 31	<u>\$ 81,525</u>	<u>\$ -</u>	<u>\$ 81,525</u>			

See independent auditor's report on the financial statements.

City of Burlington, Kansas

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
COUNTY/CITY PARK PROJECT FUND
For the Year Ended December 31, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Intergovernmental	\$ 109,935	\$ -	\$ 109,935	\$ 109,935	\$ 109,935	\$ -
Total revenues	<u>109,935</u>	<u>-</u>	<u>109,935</u>	<u>109,935</u>	<u>109,935</u>	<u>-</u>
Expenditures						
Culture and Recreation						
Contractual services	-	-	-	50,000	50,000	50,000
Commodities	10,017	-	10,017	16,000	16,000	5,983
Capital outlay	<u>12,638</u>	<u>-</u>	<u>12,638</u>	<u>396,341</u>	<u>396,341</u>	<u>383,703</u>
Total expenditures	<u>22,655</u>	<u>-</u>	<u>22,655</u>	<u>462,341</u>	<u>462,341</u>	<u>439,686</u>
Excess [deficiency] of revenues over [under] expenditures	87,280	-	87,280	<u>\$ [352,406]</u>	<u>\$ [352,406]</u>	<u>\$ 439,686</u>
Fund balance, January 1	<u>387,236</u>	<u>-</u>	<u>387,236</u>			
Fund balance, December 31	<u>\$ 474,516</u>	<u>\$ -</u>	<u>\$ 474,516</u>			

See independent auditor's report on the financial statements.

City of Burlington, Kansas

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
BOND AND INTEREST FUND
For the Year Ended December 31, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Property tax	\$ 51,984	\$ -	\$ 51,984	\$ 54,481	\$ 54,481	\$ [2,497]
Special assessments	<u>13,038</u>	<u>-</u>	<u>13,038</u>	<u>12,729</u>	<u>12,729</u>	<u>309</u>
Total revenues	<u>65,022</u>	<u>-</u>	<u>65,022</u>	<u>67,210</u>	<u>67,210</u>	<u>[2,188]</u>
Expenditures						
Debt service						
Principal	65,000	-	65,000	65,000	65,000	-
Interest and other charges	8,225	-	8,225	8,225	8,225	-
Cash basis reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Total expenditures	<u>73,225</u>	<u>-</u>	<u>73,225</u>	<u>83,225</u>	<u>83,225</u>	<u>10,000</u>
Excess [deficiency] of revenues over [under] expenditures	[8,203]	-	[8,203]	<u>\$ [16,015]</u>	<u>\$ [16,015]</u>	<u>\$ 7,812</u>
Fund balance, January 1	<u>12,231</u>	<u>-</u>	<u>12,231</u>			
Fund balance, December 31	<u>\$ 4,028</u>	<u>\$ -</u>	<u>\$ 4,028</u>			

See independent auditor's report on the financial statements.

City of Burlington, Kansas

COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2019

	Private Purpose Trust Fund	Agency Fund			
ASSETS	<u>Refuse</u>	<u>Court Diversion</u>	<u>Clearing</u>	<u>KS Loan Program</u>	<u>Totals</u>
Cash and cash equivalents	\$ 55,501	\$ 7,707	\$ [6,250]	\$ -	\$ 56,958
Receivables (net of allowance for uncollectibles)	<u>12,791</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,791</u>
Total assets	<u>\$ 68,292</u>	<u>\$ 7,707</u>	<u>\$ [6,250]</u>	<u>\$ -</u>	<u>\$ 69,749</u>
LIABILITIES					
Accounts payable	<u>\$ 12,398</u>	<u>\$ 7,707</u>	<u>\$ [6,250]</u>	<u>\$ -</u>	<u>\$ 13,855</u>
Total liabilities	<u>\$ 12,398</u>	<u>\$ 7,707</u>	<u>\$ [6,250]</u>	<u>\$ -</u>	<u>\$ 13,855</u>
NET POSITION					
Net position					
Unreserved					
Undesignated	<u>\$ 55,894</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,894</u>
Total net position	<u>\$ 55,894</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,894</u>

See independent auditor's report on the financial statements.

City of Burlington, Kansas

STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
For the Year Ended December 31, 2019

	Private Purpose Trust Fund
	<u>Refuse</u>
Additions	
Charges for services	\$ 149,064
Total additions	<u>149,064</u>
Deductions	
Contractual services	<u>146,512</u>
Total deductions	<u>146,512</u>
Change in net position	2,552
Net position, January 1	<u>53,342</u>
Net position, December 31	<u>\$ 55,894</u>

See independent auditor's report on the financial statements.

City of Burlington, Kansas

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended December 31, 2019

	Balance January 1, <u>2019</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2019</u>
Court Diversion				
Cash and investments	\$ 7,552	\$ 2,650	\$ 2,495	\$ 7,707
Total assets	<u>\$ 7,552</u>	<u>\$ 2,650</u>	<u>\$ 2,495</u>	<u>\$ 7,707</u>
Accounts payable	\$ 7,552	\$ 2,650	\$ 2,495	\$ 7,707
Total liabilities	<u>\$ 7,552</u>	<u>\$ 2,650</u>	<u>\$ 2,495</u>	<u>\$ 7,707</u>
Clearing				
Cash and investments	\$ [4,326]	\$ 132,795	\$ 137,221	\$ [8,752]
Total assets	<u>\$ [4,326]</u>	<u>\$ 132,795</u>	<u>\$ 137,221</u>	<u>\$ [8,752]</u>
Accounts payable	\$ [4,326]	\$ 132,795	\$ 137,221	\$ [8,752]
Total liabilities	<u>\$ [4,326]</u>	<u>\$ 132,795</u>	<u>\$ 137,221</u>	<u>\$ [8,752]</u>
KS Loan Program				
Cash and investments	\$ -	\$ 841	\$ 841	\$ -
Total assets	<u>\$ -</u>	<u>\$ 841</u>	<u>\$ 841</u>	<u>\$ -</u>
Accounts payable	\$ -	\$ 841	\$ 841	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 841</u>	<u>\$ 841</u>	<u>\$ -</u>

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