CITY OF BURLINGTON, COLORADO

Financial Statements

For the Year Ended December 31, 2012

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
City of Burlington, Colorado
Burlington, Colorado 80807

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, Colorado, as of and for the year ended December 31, 2012, which collectively comprise the Town'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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, 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, Colorado, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages a-i and 22 & 23 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. For the management discussion & analysis 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. The budgetary comparison schedule for the General Fund has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Burlington, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements 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 the Highway Users Tax Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

WINFREY, COUNTY & HAYS, PC
Certified Public Accountants

By: Gerald County, CPA

August 8, 2013

CITY OF BURLINGTON, COLORADO
Management Discussion and Analysis
For the Year Ended December 31, 2012

Management of the City of Burlington, Colorado offers readers of the basic financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2012. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal. The focus of the information herein is on the primary government.

This financial reporting model is in accordance with GASB Statement No. 34, Basic Financial Statements – Management's Discussion and Analysis for State and Local Governments.

Financial Highlights

The City's assets exceeded its liabilities at the close of the current year by $15,889,997 (net position). Of this amount, $963,608 (unrestricted net position) may be used to meet the City's ongoing obligations.

The City's total net position increased by $699,853.

As of the close of the current year, the City's governmental funds reported combined ending fund balances of $439,947, a decrease of $103,401 from the prior year.

The City entered into a loan agreement with Colorado Water Resources & Power Development Authority to upgrade the wastewater system of a maximum of $1,974,000. That project was completed in 2012. The project cost significantly less than the estimated amount. At December 31, 2012, $745,350 was left to draw.

The hangars at the airport were destroyed by a wind storm in 2011. Those hangars were replaced in 2012at a cost of $629,230.

A windstorm at the end of 2011 cause some power outages. Due to this, the City decided to hire a contractor to update all the power lines in 2012 for $185,712.

Overview of the Financial Statements

This discussion and analysis is intended as an introduction to the City's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. In addition to the basic financial statements other supplementary information is also provided.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to a bottom line for the City and its governmental and business-type activities. This statement reports all of the governmental fund's current financial resources (short-term spendable resources) with capital assets and long term obligations. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

The governmental activities reflect the City's basic services, including police, public works, library, economic development, parks, activities and recreation. Sales and property taxes finance the majority of these services.

The business-type activities reflect private sector type operations, such as Electric, Water and Sewer, Solid Waste Enterprise, and Airport, where fees for services typically cover all or most of the cost of operations, including depreciation.

Fund financial statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on the balances left at year end that are available for spending. Consequently, the governmental fund financial statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided that reconciles the governmental fund financial statements explaining the relationship (or differences) between them.

The City maintains 2 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, which is the only major governmental fund. Data from the other governmental fund is combined into a single aggregated presentation. Individual fund data for these nonmajor governmental funds is provided in the form of combing statements elsewhere in this report.

The City adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided to demonstrate compliance with the budget.

The City maintains four different types of *proprietary funds* which are enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Electric, Water and Sewer, Solid Waste Management, and Airport funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Electric, Water and Sewer, Solid Waste, and Airport funds, all of which are considered to be major funds of the City.

The *notes to the basic financial statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information in addition to the basic financial statements and accompanying notes is presented in the form of certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison schedules.

The combining statements referred to earlier in connection with nonmajor funds are presented immediately following the required supplementary information on pensions.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $15,889,997. The largest portion of the City's net position (96%) are invested in capital assets (land, buildings, & equipment). The city uses these capital net assets to provide services to citizens; consequently, these assets are not available for future spending.

Of the City's net position, $960,608 (6%) is unrestricted and may be used by the City to meet ongoing financial obligations. These are net assets that are not restricted by external requirements not invested in capital assets.

The following reflects the City's net position.

	Government Activities		Business-type Activities		Total	
	12/31/2012	12/31/2011	12/31/2012	12/31/2011	12/31/2012	12/31/2011
Current assets	2,075,918	945,215	2,495,611	2,486,057	4,571,529	3,431,272
Capital assets	5,806,621	5,195,131	9,633,268	9,170,864	15,439,889	14,365,996
Total Assets	7,882,539	6,140,346	12,128,879	11,656,922	20,011,418	17,797,268
Current liabilities	1,635,972	401,867	783,038	411,411	2,419,010	813,278
Long term liabilities	0	0.00	1,702,411	1,793,845	1,702,411	1,793,845
Total Liabilities	1,635,972	401,867	2,485,449	2,205,256	4,121,421	2,607,123
Net Position						
Invested in capital assets	5,806,621	5,195,131	7,839,423	7,286,492	13,646,044	12,481,624
Reserved for inventories	41,011	32,539	279,550	276,856	320,561	309,395
Reserved for debt service	0	0	36,214	26,780	36,214	26,780
Restricted for capital projects	0	0	745,350	745,350	745,350	745,350
Restricted for recreation	104,965	112,332	0	0	104,965	112,332
Restricted for Tabor emergencies	73,256	79,547	0	0	73,256	79,547
Unrestricted	220,716	318,930	742,893	1,116,187	963,608	1,435,117
Total Net Position	6,246,567	5,738,479	9,643,429	9,451,666	15,889,997	15,190,145

The following reflects the City's changes in net assets.

	Government Activities		Business-type Activities		Total	
Revenues	12/31/2012	12/31/2011	12/31/2012	12/31/2011	12/31/2012	12/31/2011
Program Revenues						
Charges for service	488,290	456,566	6,049,281	5,832,530	6,537,570	6,289,096
Operating grants & contributions	363,148	395,670	321,577	42,660	684,725	438,330
Capital grants	746,319	0	0	91,808	746,319	91,808
General Revenues						
Property taxes	311,174	321,882			311,174	321,882
Sales Taxes	1,027,193	946,740			1,027,193	946,740
Other taxes	318,424	288,455			318,424	288,455
Investment interest	2,470	4,881	1,022	1,679	3,492	6,560
Other	87,549	58,824	18,085	637,782	105,634	696,606
Gain (loss) on assets	19,658	125,727	1,472	(41,339)	21,130	84,388
Transfers	510,901	586,310	(510,901)	(586,310)	0	0
Total Revenues	3,875,126	3,185,054	5,880,536	5,978,811	9,755,662	9,163,865
Expenses						
General Government	458,825	831,465			458,825	831,465
Judicial	11,660	11,727			11,660	11,727
Public Safety	738,944	745,679			738,944	745,679
Public Works	452,559	340,719			452,559	340,719
Health & welfare	4,167	663			4,167	663
Parks & recreation	881,955	850,097			881,955	850,097
Library	160,565	177,235			160,565	177,235
Welcome Center	85,224	80,659			85,224	80,659
Community/Education Center	161,932	162,595			161,932	162,595
Economic Development	201,897	123,034			201,897	123,034
Other	209,311	152,482			209,311	152,482
Electric	0	0	3,722,501	3,371,762	3,722,501	3,371,762
Water & Sewer	0	0	805,574	700,954	805,574	700,954
Airport	0	0	661,387	487,969	661,387	487,969
Solid Waste	0	0	443,400	445,734	443,400	445,734
Total Expenses	3,367,038	3,476,354	5,632,863	5,006,419	8,999,900	8,482,773
Increase (decrease) in net position	508,088	(291,300)	247,673	972,392	755,761	681,091
Net Position - Beginning	5,738,479	6,029,779	9,451,666	8,479,274	15,190,144	14,509,053
Prior year adjustment	0	0	(55,909)	0	(55,909)	0
Net Position - Ending	6,246,567	5,738,479	9,643,429	9,451,666	15,889,997	15,190,144

Governmental activities increased the City's net position by $508,088. Key elements are as follows:

> Tax revenues are comprised of property taxes, sales and use taxes, auto taxes, franchise taxes, and other miscellaneous taxes. Property and sales taxes were 81% of all tax revenues and 35% of all revenue, charges for service accounted for 13% of all revenue. Transfers from business-type activities accounted for 14% of governmental revenues.
>
> General government expenses were 14% of all expenditures, while public safety was 22% and parks and recreation with the park project was 33% of all expenditures.

Business-type activities increased the City's net position by $247,673. Key elements are as follows:

> When the Council decided to raise the rates in 2011 based on the study, they also included a Purchase Power Cost Adjustment, which allows us to pass on to the customers the increase of the purchased energy.

Financial Analysis of the Government's Funds

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

Governmental funds - The focus of the City's governmental funds is to provide information on current year revenue, expenditures, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the year ended December 31, 2012, the City's governmental funds reported combined ending fund balances of $439,947; a decrease of $103,401 in comparison with the prior year. Approximately 74% of the total fund balance amount constitutes unreserved fund balance, which is available for spending at the City's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) Reserved for Inventory ($41,011), and 2) Reserved for recreation ($104,965), and 3) Tabor Emergency Reserve ($73,256).

The General Fund is the chief operating fund of the City. For the year ended December 31, 2012, unrestricted fund balance of the General Fund was $220,716 while total fund balance was $334,982. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents 5.56% of total General Fund expenditures, while total fund balance represents 8.43% of the same amount.

The total fund balance of the City's General Fund increased by 21.7% during the year ended December 31, 2012. Key factors in this Increase are as follows:

- Total 2012 Revenue collections including transfers in the General Fund were $96034 less than actual expenditures.
- Total revenues collected in 2012 were $646,310 more than 2011. Total expenditures in 2012 were $614,723.42 more than 2011.
- Representative **revenue** areas that increased from 2011 to 2012 include:

	2011	2012	Difference
Grants	$1,264	$746,319	$745,055
Sales Tax	$946,740	$1,027,193	$80,453
Lodging Tax	$102,287	$147,288	$45,002
Swimming Pool	$17,459	$22,487	$5,028
CCA	$72,839	$78,303	$5,464
Housing Authority	$60,188	$91,885	$31,697

  - Sales Tax increased from 2011 to 2012 due to the continued recovery of the economy.
  - Lodging Tax increase is from the new hotel that opened in January 2012
  - Grants increase is due to the GOCO and Colorado Health Foundation for Parmer Park.

- The revenue areas that decreased from 2011 to 2012:

	2011	2012	Difference
Property Tax	$321,882	$311,174	$10,708
Road and Bridge	$187,163	$180,914	$6,249
Interest	$4,774	$2,418	$2,356
Sale of Asset	$150,000	$13,623	$136,377
Library	$37,606	$9,966	$27,640

  - The biggest decrease is the Sale of Asset. There is not much land left at the industrial park, so no big purchases.
  - The decrease in Library is due to a grant received in 2011 but nothing in 2012.

The major expenditures that changed from 2011 to 2012 include:

	2011	2012	Difference
Maintenance Total	$137,058.00	$234,884.00	$97,826.00
Salaries	$959,506.00	$1,058,492.00	$98,986.00
Public Safety Total	$750,522.00	$760,852.00	$10,330.00
Community Center	$113,471.00	$119,147.00	$5,676.00
Streets Total	$322,923.00	$428,632.00	$105,710.00

- The largest increase for 2012 was Streets. They did more repairs on the streets.
- Public safety totals increased because they purchased a new vehicle to accommodate the police dog that was purchased thru donations.
- Salaries increased in 2011 due to cost of living increase.

Proprietary funds The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Total net position of the proprietary funds was $9,643,429 of which 82% ($7,839,423) as invested in capital assets and 8% ($742,893) were unrestricted. The total net position of the proprietary funds increased by $191,763. Other significant factors concerning the finances of the proprietary funds can be found in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

There were no amendments to the original 2012 budget.

Capital Asset and Debt Administration

Capital Assets

The City's capital assets for its governmental and business-type activities as the close of the current year amount to $15,439,889 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, vehicles, collection and distribution systems, and infrastructure (including streets and alleys). The City's capital assets by activity were as follows:

	At December 31, 2012			Prior Year		
	Government Activities	Business-type Activities	Total	Government Activities	Business-type Activities	Total
Land	340,517	584,615	925,132	340,517	584,615	925,132
Infrastructure	1,023,270	0	1,023,270	1,023,270	0	1,023,270
System	0	8,949,025	8,949,025	0	7,190,136	7,190,136
Buildings	4,346,844	1,074,756	5,421,600	4,326,204	445,526	4,771,729
Improvements	1,484,660	4,460,772	5,945,432	1,035,790	4,460,772	5,496,561
Equipment	1,761,016	762,860	2,523,876	1,421,980	626,360	2,048,340
Old Town Donations	102,631	0	102,631	102,631	0	102,631
Vehicles	652,974	590,074	1,243,048	624,811	477,402	1,102,213
Assets Under Construction	0	0	0	0	1,713,363	1,713,363
Total	9,711,913	16,422,102	26,134,015	8,875,203	15,498,173	24,373,377
Less accumulated depreciation	(3,905,292)	(6,788,834)	(10,694,126)	(3,680,072)	(6,327,309)	(10,007,381)
Total	5,806,621	9,633,268	15,439,889	5,195,131	9,170,864	14,365,996

Major capital asset transactions during 2012 included the following:

Work being done on Waste Water Facility	$579,008
Continued work on importing electricity	$413,156
New hangars at the airport	$279,799

Debt

The City potentially owes the Water Resources & Power Development Authority $1,974,000 for the wastewater system as previously discussed.

Economic Factors and Next Year's Budget

The 2013 budget represents an attempt to grow as a city without running down all our reserves. The following factors went into building the 2013 budget.

- The minimal decrease in the budget is due to the City attempting to build reserves for our maintenance and operations.
- A grant was approved by the FAA that allows for some repairs to be made at the Airport as well as apron repair.
- The electric department moved forward with the 20 year plan with a large maintenance and infrastructure project.
- Conservation Trust Fund money will be used to complete the work that needs done at Parmer Park as well as some federal requirements at the swimming pool.

The city has a review process in place on a monthly basis to make sure that budget targets are being met. Controls are continuing to increase requiring any purchase be reported to the accountant and anything over $500 is required to have prior approval.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning the information provided in this report or requests for additional financial information should be addressed to the City Treasurer, 415 15th St, Burlington, CO 80807.

BURLINGTON
COLORADO
SINCE 1888

BASIC FINANCIAL STATEMENTS

CITY OF BURLINGTON, COLORADO
Statement of Net Position
At December 31, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	1,054,691	705,361	1,760,052
Certificates of deposit	230,724	101,557	332,281
Restricted cash	0	745,350	745,350
Accounts receivable	404,492	663,793	1,068,285
Inventory & prepaid expenses	41,011	279,550	320,561
Accrued property taxes receivable	345,000	0	345,000
Capital assets, net of accumulated depreciation	5,806,621	9,633,268	15,439,889
TOTAL ASSETS	7,882,539	12,128,879	20,011,418
LIABILITIES			
Accounts payable	1,264,918	659,816	1,924,734
Due to other governments	26,053	0	26,053
Meter deposits	0	31,788	31,788
Deferred property tax revenue	345,000	0	345,000
Noncurrent Liabilities			
Due within one year	0	91,434	91,434
Due in more than one year	0	1,702,411	1,702,411
TOTAL LIABILITIES	1,635,972	2,485,449	4,121,421
NET POSITION			
Invested in capital assets	5,806,621	7,839,423	13,646,044
Restricted for Inventories	41,011	279,550	320,561
Reserved for Debt Service	0	36,214	36,214
Restricted for TABOR emergencies	73,256	0	73,256
Restricted for Capital Projects	0	745,350	745,350
Restricted for Recreation	104,965	0	104,965
Unrestricted	220,716	742,893	963,608
TOTAL NET POSITION	6,246,567	9,643,429	15,889,997

See auditor's report and notes to the financial statements.

CITY OF BURLINGTON, COLORADO
Statement of Activities
For the Year Ended December 31, 2012

			Program Revenues	
Functions/Programs	Expenses	Charges for Service	Operating Grants & Contributions	Capital Grants & Contributions
Governmental Activities				
General government	458,825	128,462		
Judicial	11,660			
Public safety	738,944	22,677	0	
Public works	452,559		305,110	
Health & welfare	4,167			
Parks & recreation	881,955	147,706	54,937	746,319
Library	160,565	6,864	3,101	
Welcome Center	85,224	74,792		
Community/Education Center	161,932	14,026		0
Economic Development	201,897			
Other	209,311	93,762	0	0
Total Governmental Activities	3,367,038	488,290	363,148	746,319
Business-type Activities				
Airport	661,387	170,438	321,577	
Electric	3,722,501	4,449,216		
Water & Sewer	805,574	985,655		0
Solid Waste	443,400	443,972	0	0
Total Business-type Activities	5,632,863	6,049,281	321,577	0
Total	8,999,900	6,537,570	684,725	746,319

General revenues:
Taxes
Property taxes, levied for general purposes
Auto taxes
Franchise taxes
Cigarette taxes
Sales & Use taxes
Severance taxes
Lodging taxes
Miscellaneous
Investment earnings
Gain (loss) on sale of assets
Transfers
Total General Revenues

Change in Net Position

Net Position - Beginning
Prior Year Adjustment
Net Position - Ending

See auditor's report and notes to the financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business Activities	Total
(330,363)		(330,363)
(11,660)		(11,660)
(716,267)		(716,267)
(147,449)		(147,449)
(4,167)		(4,167)
67,008		67,008
(150,599)		(150,599)
(10,432)		(10,432)
(147,906)		(147,906)
(201,897)		(201,897)
(115,550)	0	(115,550)
(1,769,281)	0	(1,769,281)
	(169,373)	(169,373)
	726,715	726,715
	180,081	180,081
0	572	572
0	737,995	737,995
(1,769,281)	737,995	(1,031,286)
311,174	0	311,174
55,561	0	55,561
100,971	0	100,971
9,933	0	9,933
1,027,193	0	1,027,193
4,670	0	4,670
147,288	0	147,288
87,549	18,085	105,634
2,470	1,022	3,492
19,658	1,472	21,130
510,901	(510,901)	0
2,277,369	(490,322)	1,787,047
508,088	247,673	755,761
5,738,479	9,451,666	15,190,144
0	(55,909)	(55,909)
6,246,567	9,643,429	15,889,997

See auditor's report and notes to the financial statements.

CITY OF BURLINGTON, COLORADO
Balance Sheet
Governmental Funds
At December 31, 2012

	General	Other Governmental Funds	Total
ASSETS			
Cash and cash equivalents	949,727	104,965	1,054,691
Certificates of deposit	230,724	0	230,724
Accounts receivable	404,492	0	404,492
Due from other funds	0	0	0
Inventory	41,011	0	41,011
Accrued property taxes receivable	345,000	0	345,000
TOTAL ASSETS	1,970,954	104,965	2,075,918
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	1,264,918	0	1,264,918
Due to other governments	26,053	0	26,053
Deferred property tax revenue	345,000	0	345,000
Total Liabilities	1,635,972	0	1,635,972
Fund Balances			
Restricted			
Inventories	41,011	0	41,011
Recreations	0	104,965	104,965
TABOR	73,256	0	73,256
Unrestricted	220,716	0	220,716
Total Fund Balances	334,982	104,965	439,947
TOTAL LIABILITIES AND FUND BALANCE	1,970,954	104,965	2,075,918

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position of Governmental Activities

Total Governmental Fund Balances	439,947
Amounts reported for governmental activities in the statement of net position are different because of the following:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	5,806,621
Net Position of Governmental Activities	6,246,567

See auditor’s report and notes to the financial statements.

BURLINGTON
COLORADO
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CITY OF BURLINGTON, COLORADO

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2012

	General	Other Governmental Funds	Total
REVENUES			
Taxes	1,633,568	0	1,633,568
Licenses & permits	4,881	0	4,881
Intergovernmental	328,333	42,610	370,944
Fines & fees	14,685	0	14,685
Charges for services	244,329	0	244,329
Interest income	2,418	53	2,470
Grants and donations	750,004	0	750,004
Housing Authority	91,885	0	91,885
Welcome Center	74,792	0	74,792
Old Town	14,156	0	14,156
Sale of fixed assets	13,623	0	13,623
Miscellaneous	142,854	0	142,854
Total Revenues	3,315,527	42,663	3,358,190
EXPENDITURES			
Current			
General Government	432,785	0	432,785
Judicial	11,660	0	11,660
Public Safety	717,459	0	717,459
Public Works	406,951	0	406,951
Health & Welfare	4,167	0	4,167
Parks & Recreation	551,788	30	551,818
Library	174,196	0	174,196
Welcome Center	85,224	0	85,224
Community/Education Center	112,168	0	112,168
Economic Development	201,897	0	201,897
Other	209,311	0	209,311
Old Town	245,838	0	245,838
Capital Outlay	819,019	0	819,019
Total Expenditures	3,972,462	30	3,972,492
Revenues over (under) Expenditures	(656,935)	42,633	(614,302)

See auditor’s report and notes to the financial statements.

CITY OF BURLINGTON, COLORADO
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2012
(continued)

	General	Other Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses)			
Operating transfers in	560,901	0	560,901
Operating transfers out	0	(50,000)	(50,000)
Total Other Financing Sources (Uses)	560,901	(50,000)	510,901
Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	(96,034)	(7,367)	(103,401)
Fund Balance - Beginning	431,016	112,332	543,348
Fund Balance - Ending	334,982	104,965	439,947

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Funds
to Statement of Activities

Net change in fund balances - total governmental funds		(103,401)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This the amount by which capital outlays exceeds depreciation in the current period.		
Capital outlays	846,209	
Depreciation expense	(234,205)	612,004
Gain on sale of assets is not recognized in governmental funds but the sale of the asset is recorded as income.		
Sale of assets	(13,623)	
Recognized gain (loss) on disposition of assets	13,108	(515)
Change in net position of government activities		508,088

See auditor's report and notes to the financial statements.

CITY OF BURLINGTON, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2012

	Electric	Water & Sewer
ASSETS		
Current Assets		
Cash and Cash Equivalents	606,820	68,702
Certificates of Deposit	0	101,557
Restricted Cash	0	745,350
Accounts Receivable	355,973	81,896
Inventory	190,566	58,167
Total Current Assets	1,153,360	1,055,672
Fixed Assets		
Land	2,000	15,112
Land Improvements	0	0
System	4,265,670	4,683,356
Building	48,885	0
Equipment	46,882	294,026
Vehicles	430,383	84,636
Total Fixed Assets	4,793,819	5,077,129
Less: Accumulated Depreciation	(2,796,351)	(2,175,545)
Net Fixed Assets	1,997,468	2,901,584
TOTAL ASSETS	3,150,828	3,957,255
LIABILITIES		
Current Liabilities		
Accounts Payable	242,636	173,296
Due to Other Funds	0	0
Meter Deposits	31,788	0
Current Portion of Long Term	0	91,434
Total Current Liabilities	274,424	264,730
Long Term Liabilities		
Loan Payable	0	1,702,411
TOTAL LIABILITIES	274,424	1,967,142
NET POSITION		
Investment in capital assets	1,997,468	1,107,738
Reserved for inventory	190,566	58,167
Reserved for debt service	0	36,214
Restricted for capital projects	0	745,350
Unrestricted	688,369	42,645
TOTAL NET POSITION	2,876,404	1,990,113

See auditor’s report and notes to the financial statements.

Airport	Solid Waste	Total
779	29,059	705,361
0	0	101,557
0	0	745,350
190,458	35,466	663,793
30,817	0	279,550
222,055	64,525	2,495,611
567,504	0	584,615
4,460,772	0	4,460,772
0	0	8,949,025
1,025,871	0	1,074,756
421,952	0	762,860
75,056	0	590,074
6,551,155	0	16,422,102
(1,816,938)	0	(6,788,834)
4,734,217	0	9,633,268
4,956,271	64,525	12,128,879
206,327	37,556	659,816
0	0	0
0	0	31,788
0	0	91,434
206,327	37,556	783,038
0	0	1,702,411
206,327	37,556	2,485,449
4,734,217	0	7,839,423
30,817	0	279,550
0	0	36,214
0	0	745,350
(15,090)	26,969	742,893
4,749,944	26,969	9,643,429

See auditor’s report and notes to the financial statements.

CITY OF BURLINGTON, COLORADO
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2012

	Electric	Water & Sewer
OPERATING REVENUE		
Charges for Service	4,369,942	976,455
Connect Fees	30,294	9,200
Penalties	48,980	0
Other	0	0
Total Operating Revenues	4,449,216	985,655
OPERATING EXPENSES		
Salaries	465,899	219,346
Benefits	182,662	73,495
Contract Labor	0	0
Vehicle Fuel & Repair	18,168	29,823
Maintenance & Supplies	314,704	112,032
Purchased Power	2,602,418	0
Utilities	14,792	222,119
Insurance	0	0
Dues & Fees	2,678	1,987
Miscellaneous	8,364	1,359
Hauling Expense	0	0
Legal Expense	0	15,925
Depreciation	112,815	110,870
Total Operating Expenses	3,722,501	786,956
OPERATING INCOME (LOSS)	726,715	198,699
Non Operating Income (Expense)		
Interest Income	0	991
Interest Expense	0	(18,618)
Gain (Loss) On Asset Disposal	0	0
Grants & Donations	0	0
Operating Transfers In	0	0
Operating Transfers Out	(360,743)	(217,658)
Net Non Operating Income (Expense)	(360,743)	(235,284)
Change in Net Position	365,972	(36,585)
Total Net Position - Beginning	2,510,432	2,026,698
Prior Year Adjustment	0	0
Total Net Position - Ending	2,876,404	1,990,113

Airport	Solid Waste	Total
170,438	443,972	5,960,807
0	0	39,494
0	0	48,980
18,085	0	18,085
188,523	443,972	6,067,366
0	0	685,245
0	0	256,157
26,000	0	26,000
126,852	0	174,844
249,530	0	676,266
0	0	2,602,418
14,361	0	251,273
2,250	0	2,250
0	0	4,665
4,554	31,038	45,315
0	412,362	412,362
0	0	15,925
237,840	0	461,525
661,387	443,400	5,614,245
(472,865)	572	453,121
31	0	1,022
0	0	(18,618)
1,472	0	1,472
321,577	0	321,577
67,500	0	67,500
0	0	(578,401)
390,579	0	(205,448)
(82,286)	572	247,673
4,888,138	26,397	9,451,666
(55,909)	0	(55,909)
4,749,944	26,969	9,643,429

See auditor's report and notes to the financial statements.

CITY OF BURLINGTON, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2012

	Electric	Water & Sewer
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	4,450,337	966,307
Maintenance fee	0	0
Payments to suppliers	(2,942,860)	(357,026)
Payments for salaries and benefits	(648,561)	(292,841)
Net Cash Provided by Operating Activities	858,916	316,440
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating transfers	(360,743)	(217,658)
From/to other funds	0	(5,213)
Net Cash Provided (Used) by Noncapital Financing Activities	(360,743)	(222,871)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(273,770)	(37,741)
Proceeds from sale of assets	0	0
Loan Payments	0	(90,527)
Interest Expense	0	(18,618)
Insurance Proceeds	0	0
Grant & donations received	0	0
Net Cash Provided (Used) by Capital & Related Activities	(273,770)	(146,885)
CASH FLOWS FROM INVESTING ACTIVITIES		
Certificates of deposit	0	(991)
Interest income	0	991
Net Cash Provided by Investing Activities	0	0
Net increase (decrease) in cash	224,403	(53,316)
Cash Balance - Beginning of Year	382,417	122,018
Cash Balance - End of Year	606,820	68,702
Reconciliation of operating income (loss) to net cash provided (used) by operations		
Operating income (loss)	726,715	198,699
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	112,815	110,870
(Increase) decrease in:		
Accounts receivable	(1,346)	(2,423)
Inventory	(5,062)	(832)
(Decrease) increase in:		
Accounts payable	21,117	11,126
Insurance claim payable	2,210	0
Meter deposits	2,467	(1,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	858,916	316,440

See auditor's report and notes to the financial statements.

Airport	Solid Waste	Total (Memo Only)
168,127	443,418	6,028,188
12,085	0	12,085
(229,564)	(439,542)	(3,968,992)
(26,000)	0	(967,402)
(75,352)	3,876	1,103,880
67,500	0	(510,901)
0	0	(5,213)
67,500	0	(516,114)
(485,931)	0	(797,441)
1,472	0	1,472
0	0	(90,527)
0	0	(18,618)
266,698	0	266,698
141,119	0	141,119
(76,643)	0	(497,298)
0	0	(991)
31	0	1,022
31	0	31
(84,464)	3,876	90,499
85,243	25,183	614,862
779	29,059	705,361
(472,865)	572	453,121
237,840	0	461,525
(188,768)	(554)	(193,092)
19,438	0	13,544
329,003	3,858	365,105
0	0	2,210
0	0	1,467
(75,352)	3,876	1,103,880

See auditor’s report and notes to the financial statements.

CITY OF BURLINGTON, COLORADO
Notes to Financial Statements
December 31, 2012

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The City of Burlington, Colorado was incorporated January 31, 1974, under the provisions of Chapter 139, Article 90 of the Colorado Revised Statutes as a Home Rule City.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental entities. A summary of the City's significant accounting policies applied in the presentation of these financial statements follows.

A. Reporting Entity

The City is a political subdivision of the State of Colorado which is governed by an elected mayor and elected 6 member board of trustees. In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of the Government Accounting Standards Board Codification. These criteria state that the financial reporting entity consist of (a) the primary government, (b) other organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based upon these criteria, there are no additional agencies or entities which should be included in the financial statements of the City.

B. Basis of Presentation

Government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. As a general rule, the effect of interfund activity has been eliminated from these statements. Government 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 given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. In addition, program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements are also provided in the report for all of the governmental funds, proprietary funds, and the fiduciary funds of the City. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary fund is charges for water and sewer service. Operating expenses for the City's proprietary fund include salaries, repairs and supplies, administrative costs, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major governmental funds:

The general fund is the City's primary operating fund. It accounts for all financial resources except those required to be in another fund.

The City reports the following major proprietary funds:

The electric, water & sanitation, and solid waste funds account for activities of the City's distribution and collection operations. The airport fund accounts for sale of fuel and expenses of operating the airport

C. Measurement focus, basis of accounting, and financial statement 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 the fiduciary fund 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. Net assets (total assets less total liabilities) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net assets. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

The 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. "Measurable" means the amount of the transaction can be determined and "available" means collectible with the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year end. Revenues from federal, state, and other grants designated for payment of specific City expenditures are recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The City applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations that do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Amounts reported as program revenues include (1) charges to customers or applicants for goods and services, or privileges provided (2) operating grants and contributions, and (3) capital grants and contributions.

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

D. Assets, Liabilities and Net position or Equity

1. Deposits

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

State statutes authorize the City to deposit funds in institutions who are members of the federal deposit insurance corporation or the federal savings and loan insurance corporation to the extent that the deposit is insured by one of the above or is secured by pledge of eligible collateral as required by CRS 11-10.5-107

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/due from other funds". Any residual balances outstanding between the government activities and business-type activities are reported in the government-wide statements as "internal balances".

Accounts receivable and property taxes receivables are shown at gross. Uncollectibles have not been material. The City uses the direct write off method for uncollectibles.

Property tax calendar - taxes are levied by December 15, tax bills are mailed January 1 of the following year, creating an enforceable lien on the property. If paid by installments of one-half each, the first is due February 28, the second by June 15. If paid in one payment, the due date is April 30. Taxes are delinquent if not paid by those dates. Notices of delinquencies are mailed in September, and tax sales are scheduled for November.

3. Inventories

All inventories are valued at cost using the first-in/first-out (FIFO) method in proprietary funds. Inventories of governmental funds are recorded as expenditures when purchased.

4. Restricted Assets

The restricted cash in the Water & Sewer Fund is for capital projects.

CITY OF BURLINGTON, COLORADO
Notes to Financial Statements
December 31, 2012
(continued

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the

City as assets with an initial, individual cost of more than $2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation.

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

Property, plant and equipment are depreciated in the proprietary funds using the straight line method over the following estimated useful lives:

Infrastructure assets include all roads & bridges and other infrastructure acquired subsequent to January 1, 2003. Infrastructure purchased prior to the year 2000 is not shown as capital assets

Assets	Years
Infrastructure	40
Improvements	10-50
Buildings	10-50
Equipment	5-50
Vehicles	7-20

6. Compensated Absences

Employees are allowed 10-15 vacation days each year depending on years of employment. There is no accumulation of vacation. In case of emergency, City Council may authorize payment of up to ½ of vacation. Sick leave is accrued at the rate of 10 days per year with accumulation of up to 90 days. No payment is made for unused sick leave.

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

CITY OF BURLINGTON, COLORADO
Notes to Financial Statements
December 31, 2012
(Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources 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. Estimates

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

9. Fund Equity and net position

In the government-wide and proprietary fund financial statements, net position is classified in the following categories;

Invested in Capital Assets, – this category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding debt balances that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net position – indicates that portion of net position which has been legally segregated for specific purposes or is not available for appropriation.

Unrestricted Net position – represents the amount which is not reserved for any purpose and is available for appropriation and expenditure in future periods.

When both restricted and unrestricted funds are available, restricted are deemed first spent.

In the fund financial statements, fund balances of governmental funds are classified in the following categories;
Nonspendable – amounts that cannot be spent because they are either in not spendable form such as inventory and prepaid expenses, or legally or contractually required to be maintained intact such as the corpus of a permanent fund which is required to be retained in perpetuity. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale.

Restricted – when constraints placed on the use of resources either (a) externally imposed by creditors or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – amounts that can be only used for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees. These amounts cannot be changed except by taking the same type of action employed to previously commit these amounts.

CITY OF BURLINGTON, COLORADO
Notes to Financial Statements
December 31, 2012
(Continued)

Assigned – amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself, or the Town Clerk to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

At December 31, 2012 the amounts restricted were $73,256 for the Tabor Reserve in the General Fund, $104,968 in the Conservation Trust Fund, and in the Water Fund $36,214 for debt service and $745,350 for capital projects. There was also restrictions in the Electric, Water & Sewer, and Airport funds of $190,566, $58,167, and $30,8173

10. Encumbrances

Encumbrance accounting where purchase orders, contracts, and other commitments for the expenditures of resources are recorded to reserve that portion of the applicable appropriation is not utilized by the City.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

All funds must have budgets to be allowed expenditures. Budgets for all funds except proprietary funds are adopted on a basis consistent with generally accepted accounting principles. The proprietary funds are prepared on the accrual basis of accounting excluding depreciation expense. All annual appropriations lapse at year end.

By August 25 the County Assessor forwards certification of assessed valuation to the City.
On or before October 1, departments must submit to the budget officer an estimate of their expenditure requirements and their estimated revenue for the ensuing budget year.
The budget officer shall prepare and submit to the Board of Trustees a proposed budget by October 15. Upon receipt of the proposed budget, the Board of Trustees shall publish a notice showing the proposed budget is open for inspection by the public and the date the Board will consider adoption of such proposed budget.

By December 15, the Board of Trustees certifies to County Commissioners the mill levy against the assessed valuation.
Final adoption and an ordinance or resolution making appropriations is due by December 31 and submitted to division of local government within 30 days.

Expenditures may not legally exceed budgeted appropriations at the fund level.

B. Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The entity believes it is in compliance with the requirements of the amendment. However, the entity has made certain interpretations of the amendment's language in order to determine its compliance.

A ballot proposal to allow the City to retain excess revenues was approved by voters in November of 1997.

C. Expenditures in the General Fund, Electric Fund, Airport Fund and Solid Waste Fund of $3,972,462, $3,883,456, $909,478, and $443,400, respectively, exceeded the budgeted amounts of $3,570,775, $3,798,400, $333,100, and $436,000, respectively. These may be violations of the State Budget Laws.

(3) DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. The Colorado Public Deposit Protection Act (PDPA), requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The State Regulatory Commission for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Custodial Credit Risk - the risk that, in the event of bank failure, the City's deposit may not be returned to it. The City does not have a written deposit policy for custodial credit risk.

Deposits - are in 5 financial institutions. They are displayed on the balance sheets as "Cash in Bank", "Cash in Savings", and Certificates of Deposit", and are carried at cost. Deposits of the City are listed by appropriate risk category as follows:

	Bank Balance	Carrying Balance
Insured (FDIC)	$ 880,547	$ 880,554
Uninsured: Collateral held by City's agent in agent's name	1,325,168	1,211,254
Non Drawn funds Colo Water Resources		745,350
Cash on Hand	0	525
Total Deposits	$2,205,715	$2,837,683
Certificates of Deposit		(332,281)
Restricted Cash		(745,350)
Cash		$1,760,052

B. Accrued Property Taxes Receivable - the amount of current year property taxes which are due January 1 of the following year. There is an offsetting amount of deferred property tax revenue. This amount has not been included in the revenue of the current year.

CITY OF BURLINGTON, COLORADO
Notes to Financial Statements
December 31, 2012
(Continued)

C. Changes in General Fixed Assets - a summary of changes in the general fixed assets follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Land	340,517	-0-	-0-	340,517
Infrastructure	1,023,270	-0-	-0-	1,023,270
Buildings	4,326,203	20,641	-0-	4,346,844
Improvements Other Buildings	1,035,790	448,871	-0-	1,484,661
Equipment	1,421,981	339,035	-0-	1,761,016
Old Town Donations	102,631	-0-	-0-	102,631
Vehicles	624,812	37,662	9,500	652,974
Total	8,875,204	846,209	9,500	9,711,913

	Beginning Balance	Additions	Deletions	Ending Balance
Less Accumulated Depreciation				
Land	0-	-0-	-0-	-0-
Infrastructure	260,213	25,577	-0-	285,790
Buildings	1,270,975	89,724	-0-	1,360,699
Other Improvements	781,526	23,966	-0-	805,492
Equipment	902,868	65,361	-0-	968,229
Vehicles	464,490	29,577	8,985	485,082
Total	3,680,072	234,205	8,985	3,905,292
Government Activities Net Capital Asset	5,195,132	612,004	(515)	5,806,621

Depreciation expense was allocated $26,040 to general government, $21,485 to public safety, $45,608 to public works, $84,299 to parks & recreation, $7,009 to library, and $49,764 to community building.

CITY OF BURLINGTON, COLORADO
Notes to Financial Statements
December 31, 2012
(Continued)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Land	584,615	-0-	-0-	584,615
Building	725,325	349,431	-0-	1,074,756
Other Improvements	4,460,772	-0-	-0-	4,460,772
Equipment	626,360	136,500	-0-	762,860
Vehicles	477,402	112,672	-0-	590,074
System	8,623,700	325,325	-0-	8,949,025
Total	15,498,174	923,928	-0-	16,422,102
Less Accumulated Depreciation				
Land	-0-	-0-	-0-	-0-
Building	218,397	23,074	-0-	241,471
Improvements	1,136,717	198,218	-0-	1,334,935
Equipment	494,091	24,024	-0-	518,115
Vehicles	393,683	20,873	-0-	414,556
System	4,084,419	195,336	-0-	4,279,755
Total	6,327,307	461,525	-0-	6,788,832
Business-type Activities				
Net Capital Asset	9,170,867	462,403	-0-	9,633,270

D. Changes in Long-Term Debt

	Beginning Balance	Additions	Payments	Ending Balance
Loans Payable	1,884,372	-0-	90,526	1,793,846

On February 23, 2010 the City entered into a loan agreement with Colorado Water Resources & Power Development Authority in the amount of $1,974,000 with interest at 2% for a term of 20 Years for improvements to the wastewater system. Payments of $54,572.25 are due on May 1 and November 1 of each year beginning in 2011. Following is a payment schedule:

Year	Principal	Interest	Total
2013	91,434	17,710	109,144
2014	92,351	16,794	109,145
2015	93,276	15,868	109,144
2016	94,212	14,933	109,145
2017	95,156	13,988	109,144
2018-2022	490,282	55,440	545,722
2023-2027	515,355	30,367	545,722
2028-2030	321,779	5,655	327,434
Total	1,793,845	170,756	1,964,601

The note covenants require;

(1) Establish and collect rates sufficient for each calendar year to pay the sum of;

(a) required to pay operation and maintenance expenses

(b) a sum equal to 110% of the debt service due each year

(2) Maintain an operations and reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation. This reserve may be in the form of unobligated fund balance or other unobligated cash or securities.

Calculation:

Fees for service	507,025
Expenses less depreciation & interest	144,856
Excess (shortage)	362,169
Debt service	109,145
Coverage	331.83%
Operation reserve	
Three months of expenses	36,214
Reservation of retained earnings	36,214

(4) OTHER INFORMATION

A. Risk Management - The City is exposed to various risks related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for all risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

B. Following is a summary of interfund transfers for 2012:

FROM

	General	Airport	Total
Conservation Trust	50,000		50,000
Electric	295,743	65,000	360,743
Water & Sewer	215,158	2,500	217,658
Total	560,901	67,500	628,401

CITY OF BURLINGTON, COLORADO
Notes to Financial Statements
December 31, 2012
(Continued)

C. Segment information - The Water & Sewer Fund is intended to be self-supporting through user fees charged for services to the public. Financial segment information for the current year is presented below.

Condensed Statement of Net Position

	Water	Sewer	Total
Assets			
Current assets	(75,604)	1,131,276	1,055,672
Net capital assets	759,384	2,142,200	2,901,584
Total Assets	683,780	3,273,475	3,957,255
Liabilities			
Current liabilities	46,809	217,922	264,730
Long Term Liabilities	0	1,702,411	1,702,411
Total Liabilities	46,809	1,920,333	1,967,142
Net Position			
Invested in capital assets	759,384	348,354	1,107,738
Reserved for inventory	52,665	5,503	58,167
Reserved for debt service	0	36,214	36,214
Restricted for capital projects	0	745,350	745,350
Unrestricted	(175,077)	217,722	42,645
Total Net Position	636,971	1,353,142	1,990,113

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Water	Sewer	Total
Operating Revenue	478,631	507,025	985,655
Operating Expenses	(531,230)	(144,856)	(676,086)
Depreciation	(56,016)	(54,854)	(110,870)
Operating Income	(108,616)	307,315	198,699
Interest expense	0	(18,618)	(18,618)
Interest income	0	991	991
Grants/Donations	0	0	0
Operating transfers	0	(217,658)	(217,658)
Change in net position	(108,616)	72,031	(36,585)
Beginning net position	745,587	1,281,111	2,026,698
Ending net position	636,971	1,353,142	1,990,113

Condensed Statement of Cash Flows

	Water	Sewer	Total
Net Cash Provided (Used) By:			
Operating activities	(46,591)	363,031	316,440
Noncapital financing activities	0	(222,871)	(222,871)
Capital & related financing activities	(13,261)	(133,624)	(146,885)
Investing activities	0	0	0
Net Increase (Decrease)	(59,852)	6,536	(53,316)
Beginning cash & cash equivalents	(101,927)	223,945	122,018
Ending cash & cash equivalents	(161,779)	230,481	68,702

D. The City provides pension benefits for all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are required to participate after one year of employment. The plan requires that both the employee and the City contribute an amount equal to 5% of the employee's base salary each month, however, the employee may contribute up to 10%. The employee has immediate vesting.

Total payroll for the City was $1,892,852. The City's contributions were calculated using the base salary amount of $1,500,355. The City contributed the required 5%, amounting to $66,413.

E. The City had no proceeds under the Colorado Contraband Forfeiture Act.

F. The City is the defendant in a lawsuit brought by a contractor. They are suing for approximately $800,000. The City has retained approximately $170,000, the remainder of the project cost at this time. It is anticipated that a trial will take about 5 days and the trial is expected to be completed by the end of 2013. Legal Counsel for the City does not believe the City is liable for more than the actual amount owe.

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BURLINGTON
COLORADO
SINCE 1888

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BURLINGTON, COLORADO
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2012

REVENUES	Budgeted Amounts		Actual	Variance with
Taxes	Original	Final	Amount	Final Budget
Property	350,500	350,500	311,174	(39,326)
Specific Ownership	40,000	40,000	42,271	2,271
Gas Franchise	85,000	85,000	69,796	(15,204)
Cable TV Franchise	7,500	7,500	10,468	2,968
Occupational	30,000	30,000	20,707	(9,293)
Sales	910,000	910,000	1,027,193	117,193
Severance	3,000	3,000	4,670	1,670
Lodging	120,000	120,000	147,288	27,288
Total Taxes	1,546,000	1,546,000	1,633,568	87,568
LICENSES & PERMITS	4,600	4,600	4,881	281
INTERGOVERNMENTAL				
Highway Users Tax	130,000	130,000	124,196	(5,804)
Cigarette Tax	15,000	15,000	9,933	(5,067)
Motor Vehicle Fees	14,000	14,000	13,291	(710)
Road & Bridge	250,000	250,000	180,914	(69,086)
Welcome Center	75,000	75,000	74,792	(208)
Total Intergovernmental	484,000	484,000	403,126	(80,874)
CHARGES FOR SERVICE				
Fee for Trash Collections	32,000	32,000	31,038	(962)
Swimming & summer recreation	70,000	70,000	67,018	(2,982)
Security system fees	8,500	8,500	7,992	(508)
Old Town	87,500	87,500	59,977	(27,523)
CCA Funds	60,000	60,000	78,303	18,303
Total Charges For Service	258,000	258,000	244,329	(13,671)
FINES & FEES	25,500	25,500	14,685	(10,815)
OTHER				
Sale of Assets	25,000	25,000	13,623	(11,377)
Rentals	31,500	31,500	28,266	(3,234)
Interest	10,000	10,000	2,418	(7,582)
Housing Authority	60,000	60,000	91,885	31,885
Other	95,000	95,000	104,622	9,622
Grants	51,475	51,475	750,004	698,529
Library	30,500	30,500	9,966	(20,534)
Old Town	12,100	12,100	14,156	2,056
Total Other	315,575	315,575	1,014,940	699,365
Total Revenues	2,633,675	2,633,675	3,315,527	681,852

See auditor’s report and notes to the financial statements.

CITY OF BURLINGTON, COLORADO
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2012
(Continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget
General Government	393,750	393,750	432,785	(39,035)
Judicial	12,675	12,675	11,660	1,015
Public Safety	797,650	797,650	760,852	36,798
Public Works	629,900	629,900	428,633	201,267
Health & Welfare	6,000	6,000	4,167	1,833
Parks, Culture & Recreation	640,700	640,700	558,222	82,478
Library	180,450	180,450	174,196	6,254
Community/Education Center	141,400	141,400	119,147	22,253
Economic Development	203,700	203,700	201,897	1,803
Other	309,950	309,950	1,031,876	(721,926)
Old Town	254,600	254,600	249,028	5,572
Appropriated Reserves	0	0	0	0
TOTAL EXPENDITURES	3,570,775	3,570,775	3,972,462	(401,687)
Excess of revenues over (under) expenditures	(937,100)	(937,100)	(656,935)	280,165
Other Financing Sources (Uses)				
Operating Transfers In	617,100	617,100	560,901	(56,199)
Operating Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	617,100	617,100	560,901	(56,199)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(320,000)	(320,000)	(96,034)	223,966
Fund Balances - Beginning	320,000	320,000	431,016	111,016
Fund Balances - Ending	0	0	334,982	334,982

See auditor’s report and notes to the financial statements.

See auditor's report and notes to the financial statements.

SUPPLEMENTARY INFORMATION

GENERAL FUND

The General Fund accounts for all transactions of the City not required to be accounted for in other funds. This fund represents an accounting for the City's ordinary operations financed primarily from taxes. It is the most significant fund in relation to the City's overall operation.

CITY OF BURLINGTON, COLORADO
General Fund
Comparative Balance Sheet
At December 31

ASSETS	2012	2011	Change
Cash			
On Hand	525	525	0
In Bank	949,202	0	949,202
Total Cash	949,727	525	949,202
Certificates of Deposit	230,724	216,651	14,074
Accounts Receivable	404,492	227,408	177,084
Due From Other Funds	0	5,213	(5,213)
Inventory & Prepaid Expenses	41,011	33,086	7,924
Accrued Property Tax Receivable	345,000	350,000	(5,000)
TOTAL ASSETS	1,970,954	832,883	1,138,070

LIABILITIES AND FUND BALANCE	2012	2011	Change
Liabilities			
Accounts Payable	1,263,963	40,486	1,223,478
Due to Other Governments	26,053	8,577	17,477
Other Payables	955	2,805	(1,850)
Deferred Property Tax Revenue	345,000	350,000	(5,000)
Total Liabilities	1,635,972	401,867	1,234,104
Fund Balance			
Unspendable	41,011	32,539	8,472
Restricted for TABOR	73,256	79,547	(6,292)
Unrestricted	220,716	318,930	(98,215)
Total Fund Balance	334,982	431,016	(96,034)
TOTAL LIABILITIES AND FUND BALANCE	1,970,954	832,883	1,138,070

See auditor’s report and notes to the financial statements.

CITY OF BURLINGTON, COLORADO
General Fund
Statement of Revenues - Budget and Actual
For the Year Ended December 31, 2012
With Comparative Actual Amounts for the Year Ended December 31, 2011

	Budget	Actual	Variance Favorable (Unfavorable)	Actual Prior Year
TAXES				
Property	350,500	311,174	(39,326)	321,882
Auto taxes	40,000	42,271	2,271	40,767
Franchise Fees	92,500	80,264	(12,236)	95,030
Occupational	30,000	20,707	(9,293)	21,799
Sales & Use	910,000	1,027,193	117,193	946,740
Severance	3,000	4,670	1,670	3,781
Lodging	120,000	147,288	27,288	102,287
Total Taxes	1,546,000	1,633,568	87,568	1,532,286
LICENSES & PERMITS	4,600	4,881	281	6,073
INTERGOVERNMENTAL				
Highway Users Tax	130,000	124,196	(5,804)	123,770
Cigarette Tax	15,000	9,933	(5,067)	11,396
Motor Vehicle Fees	14,000	13,291	(710)	13,395
Road & Bridge	250,000	180,914	(69,086)	187,163
From State for Welcome Center	75,000	74,792	(208)	75,623
Total Intergovernmental	484,000	403,126	(80,874)	411,347
CHARGES FOR SERVICE				
Fee for Trash Collections	32,000	31,038	(962)	31,078
Swimming	20,000	22,487	2,487	17,460
Recreation Fees	50,000	44,532	(5,469)	46,269
Security System Fees	8,500	7,992	(508)	7,893
Old Town	87,500	59,977	(27,523)	60,364
CCA Funds	60,000	78,303	18,303	72,839
Total Charges For Service	258,000	244,329	(13,671)	235,902
COURT & TRAFFIC FINES	25,500	14,685	(10,815)	17,134
OTHER				
Sale of Assets	25,000	13,623	(11,377)	150,000
Rentals	31,500	28,266	(3,234)	31,781
Interest	10,000	2,418	(7,582)	4,774
Housing Authority	60,000	91,885	31,885	60,188
Other	95,000	104,622	9,622	76,724
Grants and Donations	51,475	750,004	698,529	1,264
Old Town	12,100	14,156	2,056	17,903
Library	30,500	9,966	(20,534)	37,606
Total Other	315,575	1,014,940	699,365	380,239
Total Revenues	2,633,675	3,315,527	681,852	2,582,982
Other Financing Sources				
Operating Transfers In	617,100	560,901	(56,199)	647,137
TOTAL REVENUES AND OTHER SOURCES	3,250,775	3,876,428	625,653	3,230,118

See auditor's report and notes to the financial statements.

CITY OF BURLINGTON, COLORADO
General Fund
Statement of Expenditures - Budget and Actual
For the Year Ended December 31, 2012
With Comparative Actual Amounts for the Year Ended December 31, 2011

GENERAL GOVERNMENT	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Current				
Clerk Salary	60,000	66,817	(6,817)	58,512
Benefits	32,050	29,538	2,512	23,962
Legal	21,600	21,600	0	21,600
Elections	2,000	34	1,966	175
Audit	11,000	10,679	322	10,657
Building Rent	3,500	4,120	(620)	2,993
Insurance	100,000	106,287	(6,287)	106,075
Colo Municipal League	30,000	41,692	(11,692)	40,139
Meals, Travel & Training	6,000	8,578	(2,578)	9,256
Utilities	25,000	28,061	(3,061)	30,940
Maintenance & Repair	5,000	14,451	(9,451)	8,546
Office Supplies	25,000	26,249	(1,249)	24,380
Council Expense	30,000	22,958	7,042	35,787
County Treasurer Fees	10,000	9,842	158	10,181
Miscellaneous	17,500	41,881	(24,381)	422,215
Bad Debts	100	0	100	0
Capital Outlay	15,000	0	15,000	0
Total General Government	393,750	432,785	(39,035)	805,418
JUDICIAL				
Current				
Salaries	7,200	7,526	(326)	7,306
Benefits	750	782	(32)	806
Court Expense	4,725	3,351	1,374	3,615
Total Judicial	12,675	11,660	1,015	11,727
PUBLIC SAFETY				
Current				
Police Salaries	395,200	359,357	35,843	379,410
Benefits	195,650	163,879	31,771	156,595
Radio Dispatcher	100,000	100,000	0	100,000
Insurance	550	260	290	311
Utilities	19,000	20,658	(1,658)	18,582
Maintenance & Fuel	22,000	28,572	(6,572)	26,619
Police Expense	19,250	36,149	(16,899)	31,478
Animal Control	10,000	8,582	1,418	7,671
Grants	1,000	0	1,000	800
Capital Outlay	35,000	43,393	(8,393)	29,057
Total Public Safety	797,650	760,852	36,798	750,522

CITY OF BURLINGTON, COLORADO
General Fund
Statement of Expenditures - Budget and Actual
For the Year Ended December 31, 2012
With Comparative Actual Amounts for the Year Ended December 31, 2011
(continued)

PUBLIC WORKS	Budget	Actual	Variance Favorable (Unfavorable)	Actual Prior Year
Current				
Street Labor	165,000	155,794	9,206	144,531
Benefits	81,150	82,077	(927)	65,405
Utilities	7,700	6,549	1,151	7,043
Vehicle Fuel & Repairs	25,000	44,778	(19,778)	28,285
Supplies & Maintenance	250,050	116,948	133,103	47,904
Miscellaneous	1,000	805	195	289
Capital Outlay	100,000	21,682	78,318	29,466
Total Public Works	629,900	428,633	201,267	322,923
HEALTH & WELFARE				
Current				
Spraying	6,000	4,167	1,833	663
PARKS, CULTURE & RECREATION				
Current				
Parks Labor	125,000	98,362	26,638	97,300
Summer Recreation Labor	150,400	158,509	(8,109)	159,108
Benefits	101,400	61,126	40,274	86,428
Rose Avenue Flowers	13,200	11,828	1,372	9,988
Utilities	38,000	42,341	(4,341)	47,300
Vehicle Fuel & Repair	14,000	21,064	(7,064)	21,210
Maintenance and Repair	18,500	42,591	(24,091)	19,828
Swimming Pool Expenses	35,000	31,087	3,913	19,095
Summer Rec Expenses	60,500	48,646	11,854	52,776
Outback Arts Council	20,000	25,153	(5,153)	24,167
Miscellaneous	19,700	11,080	8,620	10,094
Capital Outlay	45,000	6,434	38,566	18,688
Sub total	640,700	558,222	82,478	565,982

CITY OF BURLINGTON, COLORADO
General Fund
Statement of Expenditures - Budget and Actual
For the Year Ended December 31, 2012
With Comparative Actual Amounts for the Year Ended December 31, 2011
(continued)

LIBRARY	Budget	Actual	Variance Favorable (Unfavorable)	Actual Prior Year
Current				
Salaries	77,000	77,324	(324)	74,343
Benefits	34,950	33,850	1,100	32,070
Training & Travel	750	349	401	626
Utilities	16,000	16,312	(312)	17,912
Maintenance	7,000	7,915	(915)	5,509
Supplies	14,500	7,064	7,436	9,402
Miscellaneous	750	24,526	(23,776)	23,003
Books	12,500	5,783	6,717	6,782
Magazines	1,000	1,072	(72)	321
Capital Outlay	16,000	0	16,000	0
Sub total	180,450	174,196	6,254	169,969
Total Parks, Culture & Recreation	821,150	732,418	88,732	735,951
OTHER				
Current				
Outback Express Salary	19,100	20,837	(1,737)	20,135
Housing Authority Salary	59,100	68,767	(9,667)	59,471
V A Clinic	14,100	17,826	(3,726)	15,280
Miscellaneous	34,650	58,093	(23,443)	33,135
Fire Department	38,000	33,788	4,212	14,461
Longhorn Grant		0	0	
Fireworks	10,000	10,000	0	10,000
Welcome Center	74,000	85,224	(11,224)	80,659
Capital Outlay	61,000	737,341	(676,341)	0
Total Other	309,950	1,031,876	(721,926)	233,140

See auditor’s report and notes to the financial statements.

CITY OF BURLINGTON, COLORADO
General Fund
Statement of Expenditures - Budget and Actual
For the Year Ended December 31, 2012
With Comparative Actual Amounts for the Year Ended December 31, 2011
(continued)

	Budget	Actual	Variance Favorable (Unfavorable)	Actual Prior Year
COMMUNITY/EDUCATION CENTER				
Current				
Salaries	44,000	46,794	(2,794)	42,535
Benefits	16,900	16,998	(98)	13,095
Utilities	20,000	18,314	1,686	19,035
Maintenance & Repair	10,500	12,880	(2,380)	17,951
Catered Meals	20,000	13,315	6,685	13,990
Supplies	4,000	1,877	2,123	2,661
Conference/Meeting	5,000	1,515	3,485	3,335
Miscellaneous	1,000	476	524	870
Capital Outlay	20,000	6,979	13,021	0
Total Community/Education Center	141,400	119,147	22,253	113,471
ECONOMIC DEVELOPMENT				
Current				
Salaries	55,000	51,729	3,271	50,568
Benefits	24,750	20,948	3,802	18,679
Travel & Meals	5,600	4,010	1,590	3,354
Utilities	4,000	3,378	622	2,775
Supplies	3,500	1,529	1,971	255
Miscellaneous	850	859	(9)	65
Public Relations	110,000	119,444	(9,444)	47,338
Capital Outlay	0	0	0	0
Total Economic Development	203,700	201,897	1,803	123,034
OLD TOWN				
Current				
Salaries	124,000	105,183	18,817	94,477
Benefits	57,900	39,756	18,144	31,538
Utilities	30,000	36,555	(6,555)	37,430
Maintenance	10,000	11,092	(1,092)	10,701
Emporium Purchases	16,000	23,617	(7,617)	21,787
Purchased Services	9,250	16,590	(7,340)	14,775
Other	5,950	13,044	(7,094)	7,229
Capital Outlay	1,500	3,190	(1,690)	42,952
Total Old Town	254,600	249,028	5,572	260,889
Total Expenditures	3,570,775	3,972,462	(401,687)	3,357,739

BURLINGTON
COLORADO
SINCE 1888

SPECIAL REVENUE FUNDS

Conservation Trust Fund - to account for lottery funds from the state which are to be expended for recreational purposes.

CITY OF BURLINGTON, COLORADO
Conservation Trust Special Revenue Fund
Comparative Balance Sheet
At December 31

	2012	2011	Change
ASSETS			
Cash In Bank	104,965	112,332	(7,367)
FUND BALANCE - Restricted	104,965	112,332	(7,367)

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2012
With Comparative Actual Amounts for the Year Ended December 31, 2011

REVENUES	Budget	Actual	Variance Favorable (Unfavorable)	Actual Prior Year
Interest	150	53	(98)	107
Lottery Receipts	40,000	42,610	2,610	39,929
Total Revenues	40,150	42,663	2,513	40,036
EXPENDITURES				
Bank Charges	30	30	0	30
Revenues Over (Under) Expenditures	40,120	42,633	2,513	40,006
OTHER FINANCING USES				
Operating Transfers Out	(65,000)	(50,000)	15,000	(60,827)
Excess of Revenues over (under) Other Financing Uses	(24,880)	(7,367)	17,513	(20,821)
Fund Balance - Beginning	24,880	112,332	87,452	133,153
Fund Balance - Ending	0	104,965	104,965	112,332

See auditor’s report and notes to the financial statements.

BURLINGTON
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PROPRIETARY FUNDS

Electric Fund - to account for the provision of electrical services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

Water & Sewer Fund - to account for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

Airport Fund - to account for sale of fuel and general supplies and maintenance of the airport. Financing is provided by sale of fuel, hangar rental, sale of wheat from surrounding farm land, and transfers from the General Fund.

Solid Waste Fund - to account for the billing and collections of trash services provided by a private company and payment of those collections to the private company.

CITY OF BURLINGTON, COLORADO
Electric Proprietary Fund
Comparative Statement of Net Position
At December 31,

	2012	2011	Change
ASSETS			
Current Assets			
Cash	606,820	382,417	224,403
Accounts Receivable	355,973	354,627	1,346
Inventory - Supplies	190,566	185,505	5,062
Total Current Assets	1,153,360	922,549	230,811
Fixed Assets			
Land	2,000	2,000	0
System	4,265,670	4,086,126	179,544
Building	48,885	48,885	0
Equipment	46,882	46,882	0
Vehicles	430,383	336,157	94,226
Total Fixed Assets	4,793,819	4,520,050	273,770
Less: Accumulated Depreciation	(2,796,351)	(2,683,536)	(112,815)
Net Fixed Assets	1,997,468	1,836,514	160,955
TOTAL ASSETS	3,150,828	2,759,062	391,765
LIABILITIES			
Current Liabilities			
Accounts Payable	242,636	219,309	23,327
Meter Deposits	31,788	29,321	2,467
Total Current Liabilities	274,424	248,630	25,794
NET POSITION			
Invested in capital assets	1,997,468	1,836,514	160,955
Reserved for inventory	190,566	185,505	5,062
Unrestricted	688,369	488,414	199,955
TOTAL NET POSITION	2,876,404	2,510,432	365,972

See auditor’s report and notes to the financial statements.

CITY OF BURLINGTON, COLORADO
Electric Proprietary Fund
Statement of Revenues, Expenses, and Changes in Net Position
Budget (Non-GAAP) and Actual
For the Year Ended December 31, 2012
With Comparative Actual Amounts for the Year Ended December 31, 2011

OPERATING REVENUES	Budget (Non-GAAP)	Actual	Variance Favorable (Unfavorable)	Actual Prior Year
Energy Sales	4,159,500	4,369,942	210,442	4,141,618
Penalties	35,000	48,980	13,980	49,428
Connect Fees & Other	33,000	30,294	(2,706)	39,781
Total Operating Revenues	4,227,500	4,449,216	221,716	4,230,828
EXPENDITURES				
Production				
Salaries	82,000	87,278	(5,278)	47,805
Benefits	41,000	35,192	5,808	13,234
Maintenance	15,000	1,959	13,041	11,421
Vehicle Fuel & Maintenance	0	0	0	338
Purchased Power	2,325,000	2,602,418	(277,418)	2,466,314
Utilities	6,000	5,106	894	5,575
Miscellaneous	150	65	85	87
Capital Outlay	0	0	0	0
Total Production Expenditures	2,469,150	2,732,018	(262,868)	2,544,774
Distribution				
Salaries	250,000	246,151	3,849	216,493
Benefits	117,500	97,493	20,007	86,683
Maintenance	600,000	310,632	289,368	219,604
Utilities	4,000	4,264	(264)	3,668
Vehicle Fuel & Maintenance	14,000	18,168	(4,168)	18,136
Miscellaneous	3,550	6,122	(2,572)	6,616
Capital Outlay	137,000	273,770	(136,770)	413,156
Total Distribution Expenditures	1,126,050	956,600	169,450	964,356
Administrative				
Salaries	135,000	132,470	2,530	124,172
Benefits	55,350	49,978	5,372	45,513
Utilities	4,000	5,423	(1,423)	5,084
Supplies	2,000	2,113	(113)	1,940
Miscellaneous	350	2,177	(1,827)	2,043
Dues & fees	3,500	2,678	822	2,916
Bad debts	3,000	0	3,000	3,389
Total Administrative Expenditures	203,200	194,839	8,361	185,058
Total Expenditures	3,798,400	3,883,456	(85,056)	3,694,188

See auditor's report and notes to the financial statements.

CITY OF BURLINGTON, COLORADO
Electric Proprietary Fund
Statement of Revenues, Expenses, and Changes in Net Position
Budget (Non-GAAP) and Actual
For the Year Ended December 31, 2012
With Comparative Actual Amounts for the Year Ended December 31, 2011
(continued)

	Budget (Non-GAAP)	Actual	Variance Favorable (Unfavorable)	Actual Prior Year
Income (Loss) Before Adjustments Below	429,100	565,760	136,660	536,640
NON-OPERATING REVENUES (EXPENSES)				
Meter Deposits	0	2,467	2,467	(1,492)
Operating Transfers In (Out)	(369,100)	(360,743)	8,357	(435,310)
Income (Loss) Before Adjustment To Enterprise Fund Basis of Accounting	60,000	207,484	147,484	99,838
Adjustments to Enterprise Fund Basis of Accounting				
Meter Deposits	0	(2,467)	(2,467)	1,492
Capital Outlay	0	273,770	273,770	413,156
Depreciation	(60,000)	(112,815)	(52,815)	(90,731)
Change in net position	0	365,972	365,972	423,756
Net Position - Beginning	0	2,510,432	2,510,432	2,086,677
Net Position - Ending	0	2,876,404	2,876,404	2,510,432

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CITY OF BURLINGTON, COLORADO
Water & Sewer Proprietary Fund
Comparative Statement of Net Position
At December 31,

ASSETS	Water Segment	Sewer Segment	2012	2011	Change
Current Assets					
Cash In Bank	(161,779)	230,481	68,702	122,018	(53,316)
Certificate of Deposit	0	101,557	101,557	100,565	991
Restricted Cash	0	745,350	745,350	745,350	0
Accounts Receivable	33,510	48,386	81,896	79,473	2,423
Inventory - Supplies	52,665	5,503	58,167	57,335	832
Total Current Assets	(75,604)	1,131,276	1,055,672	1,104,741	(49,069)
Fixed Assets					
Assets Under Construction	0	0	0	1,433,564	(1,433,564)
Land	15,112	0	15,112	15,112	0
System	2,001,519	2,681,837	4,683,356	3,104,010	1,579,346
Equipment	258,531	35,495	294,026	294,026	0
Vehicles	66,189	18,446	84,636	66,189	18,446
Total Fixed Assets	2,341,351	2,735,778	5,077,129	4,912,900	164,228
Less: Accumulated Depreciation	(1,581,967)	(593,578)	(2,175,545)	(2,064,675)	(110,870)
Net Fixed Assets	759,384	2,142,200	2,901,584	2,848,225	53,358
TOTAL ASSETS	683,780	3,273,475	3,957,255	3,952,966	4,289
LIABILITIES					
Current Liabilities					
Accounts Payable	46,809	126,488	173,296	35,682	137,614
Customer Deposits	0	0	0	1,000	(1,000)
Due to Other Funds	0	0	0	5,213	(5,213)
Current Portion of Long Term	0	91,434	91,434	90,527	908
Total Liabilities	46,809	217,922	264,730	132,422	132,308
Long Term Liabilities					
Loan Payable	0	1,702,411	1,702,411	1,793,845	(91,434)
TOTAL LIABILITIES	46,809	1,920,333	1,967,142	1,926,268	40,874
NET POSITION					
Invested in capital assets	759,384	348,354	1,107,738	963,853	143,885
Reserved for inventory	52,665	5,503	58,167	57,335	832
Reserved for debt service	0	36,214	36,214	26,780	9,433
Restricted for capital projects	0	745,350	745,350	745,350	0
Unrestricted	(175,077)	217,722	42,645	233,380	(190,736)
TOTAL NET POSITION	636,971	1,353,142	1,990,113	2,026,698	(36,585)

See auditor’s report and notes to the financial statements.

CITY OF BURLINGTON, COLORADO
Water & Sewer Proprietary Fund
Statement of Revenues, Expenses, and Changes in Net Position
Budget (Non-GAAP) and Actual
For the Year Ended December 31, 2012
With Comparative Actual Amounts for the Year Ended December 31, 2011

	Budget (Non-GAAP)	Actual	Variance Favorable (Unfavorable)	Actual Prior Year
WATER SEGMENT				
Operating Revenues				
Commercial Water	500,000	468,510	(31,490)	430,655
Tank Water	1,000	234	(766)	234
Miscellaneous Income	40,000	3,687	(36,314)	668
Water Tap Fees	10,000	6,200	(3,800)	1,350
Total Operating Revenues	551,000	478,631	(72,369)	432,907
EXPENDITURES				
Operations				
Salaries	175,000	191,928	(16,928)	174,690
Benefits	60,900	64,308	(3,408)	56,837
Maintenance & supplies	102,000	85,527	16,473	91,870
Vehicle Fuel & Repairs	16,000	29,823	(13,823)	35,727
Pumping Power	75,000	156,298	(81,298)	135,307
Miscellaneous	3,700	3,346	354	3,529
Bad Debts	1,500	0	1,500	894
Capital Outlay	87,000	13,261	73,739	85,579
Total Expenditures	521,100	544,491	(23,391)	584,435
Income (Loss) Before Adjustments Below	29,900	(65,861)	(95,761)	(151,527)
Adjustments to Enterprise Fund Basis of Accounting				
Capital Outlay	0	13,261	13,261	85,579
Depreciation	(36,000)	(56,016)	(20,016)	(51,743)
Donations	0	0	0	11,894
Water Segment - Change in net position	(6,100)	(108,616)	(102,516)	(105,797)

See auditor’s report and notes to the financial statements.

CITY OF BURLINGTON, COLORADO
Water & Sewer Proprietary Fund
Statement of Revenues, Expenses, and Changes in Net Position
Budget (Non-GAAP) and Actual
For the Year Ended December 31, 2012
With Comparative Actual Amounts for the Year Ended December 31, 2011
(continued)

	Budget (Non-GAAP)	Actual	Variance Favorable (Unfavorable)	Actual Prior Year
SEWER SEGMENT				
Operating Revenues				
Sewer Service	600,000	504,025	(95,975)	496,371
Sewer Tap Fees	59,500	3,000	(56,500)	10,533
Sewer Project	0	0	0	492,310
Total Operating Revenues	659,500	507,025	(152,475)	999,214
EXPENDITURES				
Operations				
Salaries	25,000	27,418	(2,418)	24,956
Benefits	7,200	9,187	(1,987)	8,120
Maintenance & supplies	50,000	26,505	23,495	43,361
Utilities	25,000	65,821	(40,821)	29,630
Miscellaneous	0	0	0	25
Bad Debts	700	0	700	1,031
Legal Expenses	0	15,925	(15,925)	0
Debt Service	330,000	109,145	220,856	109,145
Capital Outlay	0	150,967	(150,967)	756,049
Total Expenditures	437,900	404,968	32,932	972,315
Income (Loss) Before Adjustments Below	221,600	102,057	(119,543)	26,899
Adjustments to Enterprise Fund Basis of Accounting				
Capital Outlay	0	150,967	150,967	756,049
Loan Principal	0	90,527	90,527	89,628
Loan Proceeds	0	0	0	(492,310)
Depreciation	(18,000)	(54,854)	(36,854)	(23,717)
Donations	0	0	0	79,914
NON-OPERATING REVENUES (EXPENSE)				
Other Financing Sources (Uses)				
Interest Income	3,000	991	(2,009)	1,602
Operating Transfers Out	(200,500)	(217,658)	(17,158)	(168,500)
Sewer Segment - Change in net position	6,100	72,031	65,931	269,566
Total net change in net position	0	(36,585)	(36,585)	163,768
Net Position - Beginning	0	2,026,698	2,026,698	1,862,930
Net Position - Ending	0	1,990,113	1,990,113	2,026,698

See auditor’s report and notes to the financial statements.

BURLINGTON
COLORADO
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CITY OF BURLINGTON, COLORADO
Airport Proprietary Fund
Comparative Statement of Net Position
At December 31,

	2012	2011	Change
ASSETS			
Current Assets			
Cash	779	85,243	(84,464)
Fuel Inventory	30,817	50,256	(19,438)
Insurance Proceeds Receivable	0	266,698	(266,698)
Accounts Receivable	190,458	1,690	188,768
Total Current Assets	222,055	403,886	(181,832)
Fixed Assets			
Assets Under Construction	0	279,799	(279,799)
Land	567,504	567,504	0
Land Improvements	4,460,772	4,460,772	0
Buildings	1,025,871	396,641	629,230
Equipment	421,952	285,452	136,500
Vehicles	75,056	75,056	0
Total Fixed Assets	6,551,155	6,065,224	485,931
Accumulated Depreciation	(1,816,938)	(1,579,098)	(237,840)
Net Fixed Assets	4,734,217	4,486,126	248,091
TOTAL ASSETS	4,956,271	4,890,012	66,259
LIABILITIES			
Current Liabilities			
Accounts Payable	206,327	1,874	204,454
NET POSITION			
Invested in capital assets	4,734,217	4,486,126	248,091
Reserved for inventory	30,817	34,017	(3,199)
Unrestricted	(15,090)	367,996	(383,086)
TOTAL NET POSITION	4,749,944	4,888,138	(138,195)

See auditor's report and notes to the financial statements.

CITY OF BURLINGTON, COLORADO
Airport Proprietary Fund
Statement of Revenues, Expenses, and Changes in Net Position
Budget (Non-GAAP) and Actual
For the Year Ended December 31, 2012
With Comparative Actual Amounts for the Year Ended December 31, 2011

	Budget (Non-GAAP)	Actual	Variance Favorable (Unfavorable)	Actual Prior Year
REVENUES				
Hangar Rent	17,100	9,325	(7,775)	6,480
Maintenance Fee	12,000	12,000	0	12,000
Fuel Sales	168,300	149,113	(19,187)	201,006
Sales Tax Vendor Fee	50	85	35	24
Wheat	18,000	18,000	0	18,000
Interest	150	31	(120)	77
Grants	100,000	321,577	221,577	42,660
Total Revenues	315,600	510,130	194,530	280,247
EXPENDITURES				
Fuel Purchases	150,000	126,852	23,148	168,977
Contract Labor	24,000	26,000	(2,000)	24,000
Health Insurance	750	0	750	0
Supplies	1,000	1,677	(677)	400
Utilities	13,000	14,361	(1,361)	13,897
Insurance	3,000	2,250	750	2,450
Maintenance	36,850	247,853	(211,003)	55,503
Miscellaneous	4,500	4,554	(54)	5,029
Capital Outlay	100,000	485,931	(385,931)	324,209
Total Expenditures	333,100	909,478	(576,378)	594,466
Income (Loss) Before Adjustments Below	(17,500)	(399,349)	(381,849)	(314,219)
NON-OPERATING REVENUES (EXPENSES)				
Other Financing Sources				
Insurance Proceeds	0	0	0	619,758
Operating Transfers In	17,500	67,500	50,000	17,500
Income (Loss) Before Adjustment Below to Enterprise Fund Basis of Accounting	0	(331,849)	(331,849)	323,038
Adjustments to Enterprise Fund Basis of Accounting				
Gain on Assets	0	1,472	1,472	(41,339)
Capital Outlay	0	485,931	485,931	324,209
Depreciation	0	(237,840)	(237,840)	(217,713)
Net Income Enterprise Fund Basis of Accounting	0	(82,286)	(82,286)	388,196
Net Position - Beginning	0	4,888,138	4,888,138	4,499,942
Prior Year Adjustment	0	(55,909)	(55,909)	0
Net Position - Ending	0	4,749,944	4,749,944	4,888,138

See auditor's report and notes to the financial statements.

CITY OF BURLINGTON, COLORADO
Solid Waste Proprietary Fund
Comparative Statement of Net Position
December 31,

	2012	2011	Change
ASSETS			
Cash	29,059	25,183	3,876
Accounts Receivable	35,466	34,911	554
TOTAL ASSETS	64,525	60,095	4,430
LIABILITIES			
Current Liabilities			
Accounts Payable	37,556	33,698	3,858
NET POSITION - Unrestricted	26,969	26,397	572

See auditor's report and notes to the financial statements.

CITY OF BURLINGTON, COLORADO
Solid Waste Proprietary Fund
Statement of Revenues, Expenses, and Changes in Net Position
Budget (Non-GAAP) and Actual
For the Year Ended December 31, 2012
With Comparative Actual Amounts for the Year Ended December 31, 2011

	Budget (Non-GAAP)	Actual	Variance Favorable (Unfavorable)	Actual Prior Year
REVENUES				
Hauling Receipts	340,000	350,585	10,585	348,297
Tipping Fee	96,000	93,387	(2,613)	94,108
Total Revenues	436,000	443,972	7,972	442,405
EXPENDITURES				
Trash Hauling Expenses	316,000	325,586	(9,586)	324,825
Tipping Fee Expenses	90,000	86,776	3,224	89,232
Bad Debts	500	0	500	600
Billing Expense	29,500	31,038	(1,538)	31,078
Total Expenditures	436,000	443,400	(7,400)	445,734
Income (Loss) Before Adjustments Below	0	572	572	(3,328)
Net Position - Beginning	0	26,397	26,397	29,725
Net Position - Ending	0	26,969	26,969	26,397

ADDITIONAL INFORMATION

HIGHWAY USERS TAX REPORT

The public report burden for this information collection is estimated to average 380 hours annually.

Financial Planning 02/01
Form # 350-050-36

LOCAL HIGHWAY FINANCE REPORT	City or County: Burlington
	YEAR ENDING : December 2012
This Information From The Records Of (example - City of _ or County of _): City of Burlington	Prepared By: Melissa Satterly Phone: 719-346-8279

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	85,869
3. Other local imposts (from page 2)	223,167
4. Miscellaneous local receipts (from page 2)	14,680
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	323,716
B. Private Contributions	
C. Receipts from State government (from page 2)	148,074
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	471,790

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	0
2. Maintenance:	417,992
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	
c. Other	
d. Total (a. through c.)	0
4. General administration & miscellaneous	53,698
5. Highway law enforcement and safety	
6. Total (1 through 5)	471,690
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	471,690

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	471,790	471,690		100

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Burlington Colorado YEAR ENDING (mm/yy): December 2012

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments	180,896	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalities	14,680
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	42,271	g. Other Misc. Receipts	
6. Total (1. through 5.)	42,271	h. Other	
c. Total (a. + b.)	223,167	i. Total (a. through h.)	14,680
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	124,196	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	23,878	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	23,878	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	148,074	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
1			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments:

FORM **FHWA-536 (Rev.1-05)** PREVIOUS EDITIONS OBSOLETE