

**CITY OF BURLEY, IDAHO**

**Basic Financial Statements  
With Supplemental Information**

**September 30, 2020**



**CITY OF BURLEY, IDAHO**  
**BASIC FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2020  
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**CITY OF BURLEY, IDAHO**  
BASIC FINANCIAL STATEMENTS  
For the Year Ended September 30, 2020  
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**FINANCIAL SECTION**

# **Poulsen VanLeuven & Catmull PA**

**Certified Public Accountants**

Members of the American Institute of CPA's  
and the Idaho Society of CPA's

**Jeffrey D. Poulsen, CPA**  
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**Jacob H. Catmull, CPA**

## INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council  
City of Burley, ID

### **Report on the Financial Statements**

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

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, the aggregate remaining fund information, and the discretely presented component unit of the City of Burley as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for each major fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6.1 through 6.8 and the schedules of employer's share of net pension liability and employer contributions, as listed in the table of contents, be presented to support the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual internal service fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual internal service fund financial statements, and, where applicable, the cash flows thereof 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 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 internal service fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Poulsen VanLeuven & Catmull*

Poulsen VanLeuven & Catmull P.A

February 12, 2021

**City of Burley**  
**Management Discussion and Analysis**  
**Fiscal Year Ending - September 30, 2020**

**Management's Discussion and Analysis Report**

The management of the City of Burley, Idaho, presents this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. This Management's Discussion and Analysis is based upon currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report.

**Government- Financial Analysis**

The City is required to present its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34) which also requires the management discussion and analysis. This year and each ensuing year we will update the reporting on the retirement holdings the City of Burley has with the Public Employees Retirement System of Idaho which is a requirement of GASB 68. GASB 68 is the disclosure of the potential retirement system liability. The City of Burley as the employer and all full time and some part-time employees participate in PERSI. We must report on the financial statements a potential unfunded liability from being in this system. The financial statements also include selected financial information of Burley Development Authority (BDA), which is a component unit of the City. The BDA issued a separate audited financial statement for the year ended September 30, 2020. Please see those statements for additional information regarding the BDA.

**Analysis of Net Position**

The City total net position for the fiscal year ended September 30, 2020, is \$76,181,717 compared to \$73,909,901 at the end of September 30, 2019. This is an increase in net position of \$2,271,816 compared to the previous year change of \$3,974,888. The increase is due to changes in cash of \$2,743,425. The cash increase was primarily due to a turnaround in Electric department cash and projects that were scheduled had to be delayed or rescheduled due to Covid-19. (Page 7).

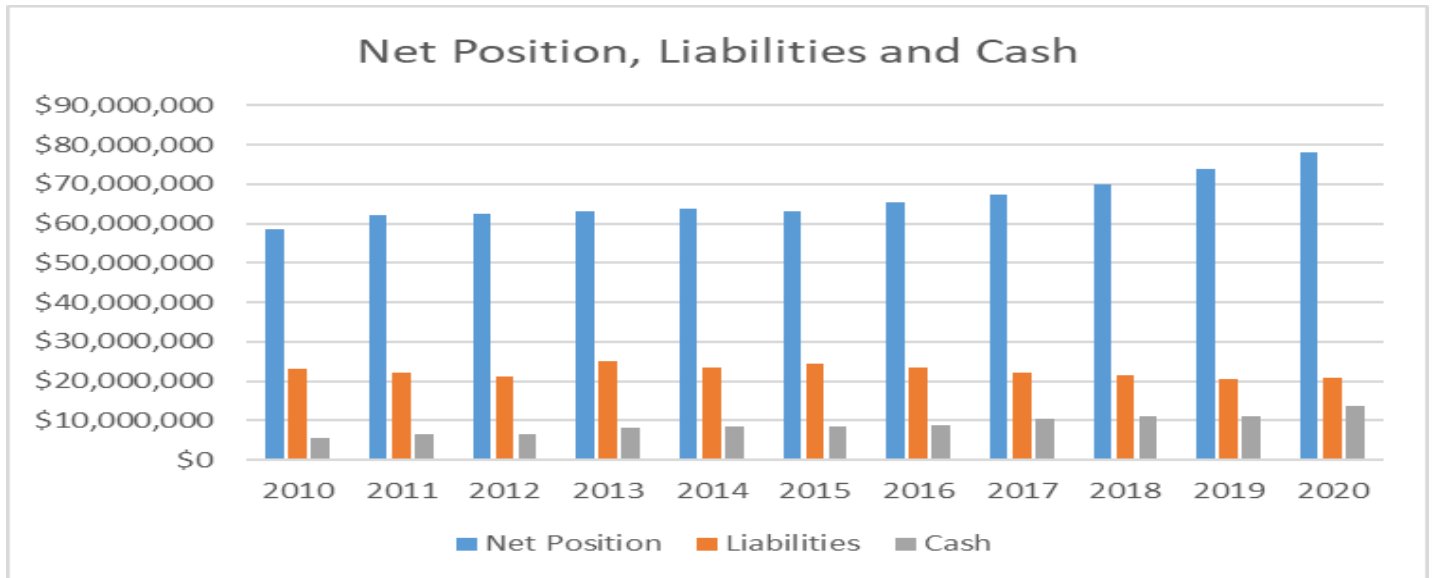
The Governmental Activities Net Position increased by \$507,989 compared to \$2,504,448 in the previous year. This increase was created due to the purchase of street sweepers and the receipt of corresponding grants funds. (Page 7).

The Enterprise funds increased in net position overall by \$1,763,827 compared to \$918,156 for the prior year. The increase in Net Position was across all the funds. The Enterprise funds are summarized on pages 17 to 19 of the Financial Statements.

Cash and Investments in the Governmental funds increased by \$647,119. The increase was primarily due to cutting back on expenses during the pandemic. The additional costs for services during the pandemic were reimbursed from funds allocated to the State of Idaho. Governmental funds are summarized on pages 9-16.

Cash and investments in the Enterprise funds increased by \$1,998,646 compared to a decrease of \$227,235 at the end of fiscal year 2019. The increase was primarily due to expenses being down and funds being saved for future projects.

Total liabilities for the City as a whole increased by \$316,294 compared to a decrease of \$1,035,519 at the end of September 2019. Total Liabilities for all funds were \$20,685,796 for the fiscal year end September 20, 2020. The increase in liabilities were primarily due to an increase in payables at year end.



### Funds Analysis

The following is an analysis of the differences in the Net Position of each of the City's major funds types for the Fiscal Year ending September 30, 2020.

**Governmental Funds** – Total property taxes collected, Current and Delinquent, for FY 2019-2020 for all functions including the General Fund, Street Override levy, Library base levy and the Library Override levy, and General Obligation Bond were \$3,149,278 compared to \$3,005,974 for the previous fiscal year or a 4.77% increase. Property taxes collected for the General Fund were \$2,192,398. Property taxes collected for the Library and the General Obligation Bond were \$461,719 and \$330,160, respectively. Total revenues for the General Fund were \$7,892,567 compared to \$7,326,728 for the prior year. Most of the increase in General Fund revenue was due to a grant for the two new sweepers. State of Idaho collected local tax revenues (Sales Tax/Inventory Replacement Tax and shared Liquor Dispensary revenues) were \$1,124,233 compared to \$1,082,828 for fiscal year 2019. All Street revenues totaled \$958,622 compared to \$965,967 in fiscal year 2019. The General Fund support for the Street Department over taxes received was \$196,162 compared to \$73,435 for fiscal year 2019. The increased amount was the grant march for the two new sweepers.

Expenses for the Streets Department for the year were of \$1,367,135 compared to 1,039,402 for the previous fiscal year. Increased cost was for the street sweepers.



Total Public Safety- Sheriff's contract, Fire Department, Animal Control, Building Inspection and prosecution costs were \$3,512,337 compared to \$4,004,967 in 2019. The reduction in costs was due to the fire truck purchase in 2019. This is 50.0% of all General Fund expenditures. The General Fund completed the year with 93.1% of planned expenditures for 2020 and General Fund revenues finished the 2020 year at 101% of expected revenue.

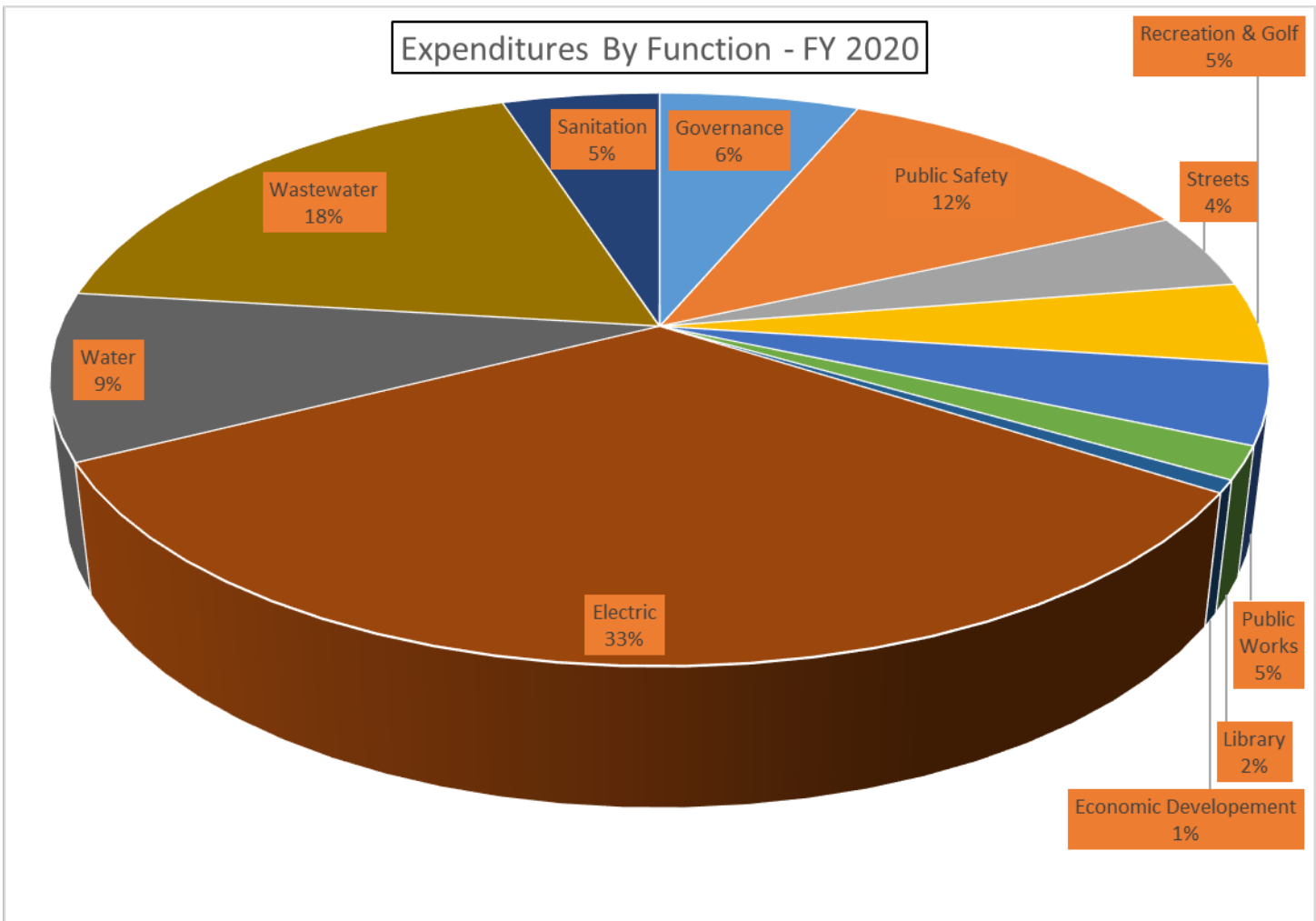
**State and Federal Grants Fund** – Grant reimbursements were received from the in an amount of \$259,820 for development of the walking path and the broadband project.

### **Business Type Funds**

**Electric Fund** – The Electric Fund Net Position increased by \$187,961 compared to a \$361,136 decrease in the previous fiscal year. Cash in the Electric Fund increased by \$773,566 compared to an almost \$36,000 decrease in the previous year. Revenues were 97.1% of expected and expenses were 87.8% of budgeted amounts creating a larger cash reserve. Cash has recovered to a minimum amount there needs to be for asset replacement. The optimum level for cash reserves should be at least \$1,000,000 more. There was a rate increase approved, by the City Council, in November 2020 of 2% on the energy use portion of the electrical rate. There was no change to the base service rates. There were no significant differences between budgeted revenue and expenditures and actual revenue and expenditure.

**Water Fund** – The Water Fund Net Position increased by \$595,896 compared to an increase of \$1,234,222 as of September 30, 2019. Cash for the Water Fund increased by \$939,511 compared to \$260,200 from the 2019 fiscal year. Water Fund Revenue was \$2,949,212 compared to \$2,700,383 the previous year. Operating expenses were \$2,142,915. The industrial park tank rehabilitation was not started in fiscal year 2020, but will be scheduled for 2021. There were no significant differences between budgeted revenue and expenditures and actual revenue and expenditure.

**Wastewater Fund** – The Wastewater Fund Net Position for September 30, 2019, was \$26,328,810 compared to \$25,785,721 from 2019. This is an increase of net position of \$543,089. Cash in the fund increased by \$136,712 due to increased fees and less expenses. Wastewater fund revenue was \$5,105,709 for the year and total expenses were 5,196,017. Plant upgrades continued as well as the building for the larger sludge dryer that was purchased two years ago. The Industrial Plant budget is operated from the revenue derived from the industrial customers. There were no significant differences between budgeted revenue and expenditures and actual revenue and expenditures.



**Golf Fund** – The Golf Fund net position decreased by \$70,247 during the 2019-2020 fiscal year. The operating transfer to the Golf Fund was \$87,104 compared to \$209,315 previous fiscal year. Total operating revenues for the Golf Fund were \$528,744 compared to \$430,973 compared to \$396,385 for the previous two fiscal years. Operating expenses were \$670,326 compared to \$665,978 fiscal year 2019. The operating expenses include depreciation as calculated by the auditor. The actual expense for capital items was \$25,964 for batteries and \$30,398 for golf cart payments. The booked depreciation was \$95,332.

**Sanitation Fund** – The Sanitation Fund had an increase in net position of \$406,740 from the previous fiscal year. The increase was due to adjusting rates for services that had not been substantially increased for several years. Grant revenues were received in the amount of \$232,217 for the replacement of two garbage trucks. The cost of the two garbage trucks was \$589,684.

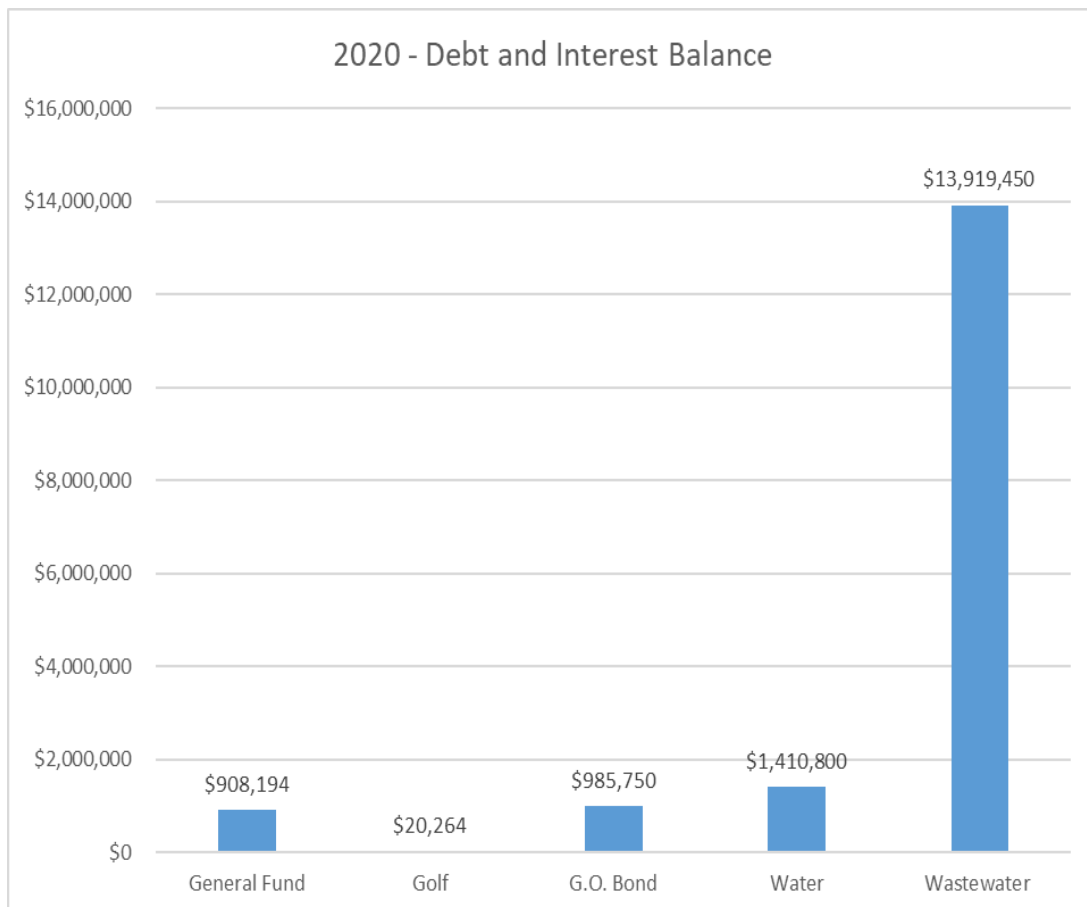
**Internal Service Funds** – The City uses internal services funds as a way to bill all departments for internal services. These include charges for Workers Compensation, Health Insurance, Liability Insurance, Automation services and Fuel. These funds accrue the charges from all departments of the City and then make the responding payments for those services. New in 2020 was the fuel fund. The City purchased and set up a fueling system to provide at cost fuel for all City departments. The fuel tank purchase and installation costs were \$378,448. This cost will be recovered over several years.

Each internal service is accounted for separately so appropriate charges are equal to every department.

**Burley Development Authority** – The Burley Development Authority (BDA) is listed as a component unit of the City of Burley. This is according to GASB and GAAP requirements. The information on the BDA is shown on pages seven and eight of the financial statements. The Net Assets for the Burley Development Authority are deceiving in that the BDA builds infrastructure and then turns over the operation of the assets to the City of Burley, but retains any debt associated with the assets. Under Idaho law the BDA is a separate and distinct public entity with their own governing board. The BDA maintains a separate bank account and has their own annual audit performed and paid for separately.

### **OUTSTANDING DEBT**

As of September 30, 2020, the City of Burley had \$17,244,458 in short and long term debt. General Fund debt is \$908,194. The General Obligation Bond is \$985,750. Golf Fund debt is \$20,264. Wastewater debt for the Industrial Plant and the Municipal plant is \$13,919,450. Water Department debt is \$1,410,800. Additional detailed information on long-term obligations is available in note 6 to the financial statements. The chart below show the debt for each fund.



### **Future Concerns and Notable Items**

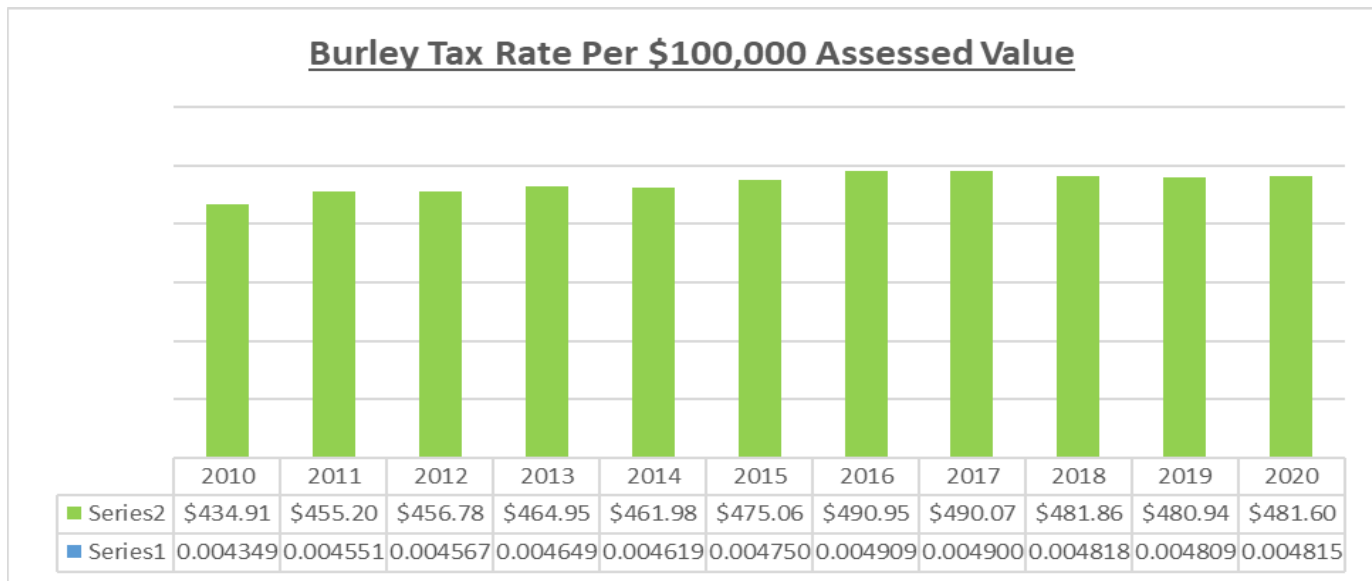
The problem of permanent funding for streets has only been partially addressed by the State of Idaho Legislature. The City of Burley has a temporary two-year override in the amount of \$165,000 that was approved in May 2020 to be collected for fiscal years 2020 and 2021. This will help to improve the level of street maintenance. The Library two-year operating override levy was re-approved in May of 2018 in the amount of \$277,280. This amount represents 51.2% of all the Library operating funds. The override levy plus the base property tax levy (\$189,751) constitute 86% of total funding.

The Idaho legislature is changed the distribution of sales tax to a per capita basis, which in time, will mean a reduction in sales tax on a percentage basis to Burley. Currently the legislature, is processing a property tax reduction bill to reduce the amount the City can receive from annexation and new construction. This legislation has a definite chance of becoming law in 2021. This would have a direct effect on General Fund services.

As the City of Burley makes future public improvements, it will not only increase the net assets shown on these financial statements but also commits the City to maintaining those improvements.

**Statistics**

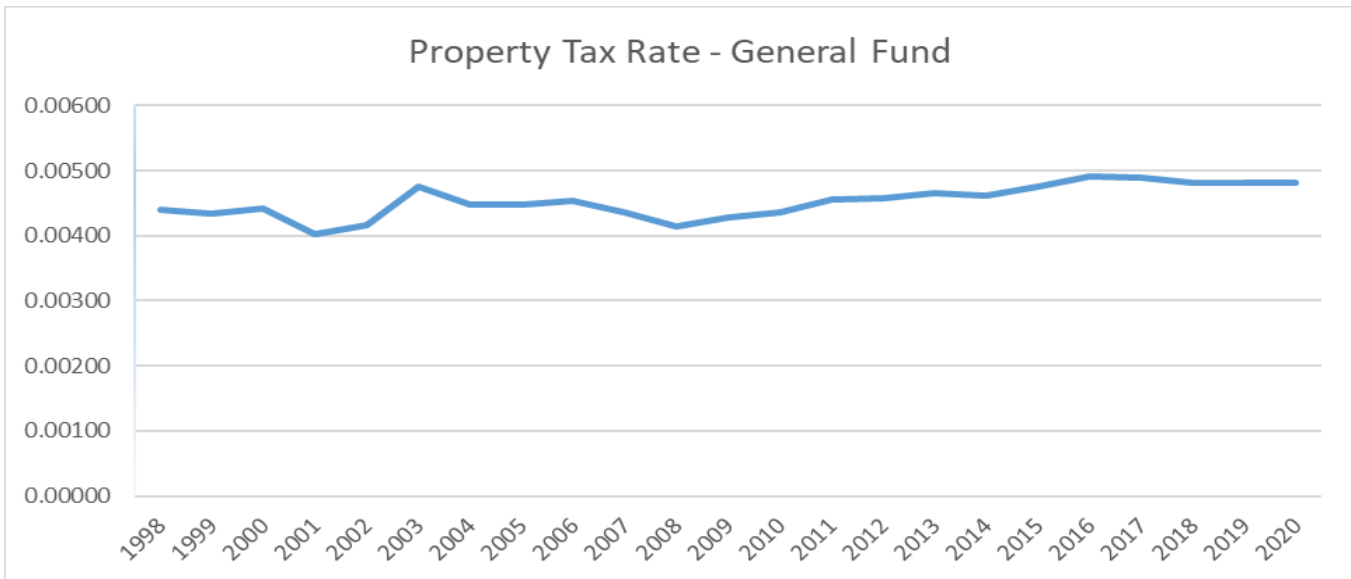
The General Fund Property Tax rate for 2020 was 0.004815986.



The 22-year average rate for the City of Burley, per \$100,000 of valuation, for a residential home is \$451. The City of Burley estimated population at the end of 2020 is 14,250.

The average City Residential Utility Bill for water, wastewater, electric and garbage was \$179.

Since 1998, the General Fund Tax Rate has been between 0.004392050 and 0.004909473.



## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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 \$76,181,717. By far, the largest portion of the City's net position (90 percent) reflect its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less depreciation and any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities. The following schedules present summarized information from the Statement of Net Position and the Statement of Activities:

<b>STATEMENT OF NET POSITION</b>				
	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>Sept 30, 2020</b>	<b>Sept 30, 2019</b>	<b>Sept 30, 2020</b>	<b>Sept 30, 2019</b>
<b>ASSETS</b>				
Current and other assets	\$ 5,440,246	4,758,150	\$ 11,698,125	10,152,280
Net pension asset	1,185,385	1,153,971	-	-
Capital assets (net of depreciation)	29,795,846	30,041,074	48,053,905	48,551,747
<b>TOTAL ASSETS</b>	<b>36,421,477</b>	<b>35,953,195</b>	<b>59,752,030</b>	<b>58,704,027</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension obligations/OPEB	446,734	184,819	326,670	151,925
<b>LIABILITIES</b>				
Current liabilities	1,578,302	1,283,376	2,770,564	2,627,393
Long-term liabilities	1,401,552	1,872,626	12,083,239	13,152,476
Net pension liability	1,534,995	759,963	1,290,144	646,668
<b>TOTAL LIABILITIES</b>	<b>4,514,849</b>	<b>3,915,965</b>	<b>16,143,947</b>	<b>16,426,537</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Employer pension assumption/OPEB	59,416	436,092	46,982	305,471
<b>NET POSITION</b>				
Net investment in capital assets	28,404,741	28,291,530	36,048,792	35,666,961
Restricted	-	-	-	-
Unrestricted	3,889,205	3,494,427	7,838,979	6,456,983
<b>TOTAL NET POSITION</b>	<b>\$ 32,293,946</b>	<b>\$ 31,785,957</b>	<b>\$ 43,887,771</b>	<b>\$ 42,123,944</b>

<b>CHANGES IN NET POSITION</b>					
	<b>Governmental Activities</b>			<b>Business-type Activities</b>	
	<b>Sept 30, 2020</b>	<b>Sept 30, 2019</b>	<b>Sept 30, 2020</b>	<b>Sept 30, 2019</b>	
<b>REVENUES</b>					
Program Revenues					
Charges for Service	\$ 2,689,437	\$ 2,163,557	\$ 19,218,762	\$ 18,470,947	
Operating grants and contributions	221,145	17,496	-	-	
Capital grants and contributions	259,820	805,367	240,012	1,244,661	
General Revenues					
Property taxes	3,146,193	3,751,688	-	-	
Intergovernmental/State revenue	2,052,660	1,883,795	-	-	
Franchise fees	201,102	238,974	-	-	
Investment earnings/other	403,020	(108,165)	65,502	155,743	
Transfers from other funds	(87,104)	(209,315)	87,104	209,315	
<b>Total Revenue</b>	<b>8,886,273</b>	<b>8,543,397</b>	<b>19,611,380</b>	<b>20,080,666</b>	
<b>EXPENSES</b>					
General Government					
Public Safety	2,531,161	2,949,081	-	-	
Highways & Streets	3,094,329	1,581,956	-	-	
Parks & Recreation	1,116,401	524,137	-	-	
Public Works	520,902	551,341	-	-	
Electric Utility	1,115,491	1,034,688	-	-	
Water Utility	-	-	8,704,745	9,199,983	
Wastewater Utility	-	-	2,449,583	2,179,309	
Sanitation	-	-	4,707,186	4,675,671	
Golf	-	-	1,299,903	1,285,466	
Total Expenses	8,378,284	6,641,203	686,136	667,543	
Change in Net Position	\$ 507,989	\$ 1,902,194	\$ 1,763,827	\$ 2,072,694	

## Requests for information

The City's financial statements are designed to present the users with a general overview of the City's finances, and to demonstrate the city's accountability. If you have questions about the report or need additional financial information, please contact the City Clerk or City Administrator at P.O. Box 1090, Burley, ID 83318, or check out the City of Burley website [www.burleyidaho.org](http://www.burleyidaho.org).

**CITY OF BURLEY, IDAHO**

Statement of Net Position  
September 30, 2020

	Primary Government			Component
	Governmental	Business	Totals	Unit
	Activities	Type		Burley
		Activities		Development
				Authority
<b>ASSETS</b>				
Current assets:				
Cash & investments	\$ 4,379,273	\$ 9,349,003	\$ 13,728,276	\$ 5,568,049
Receivables (net of allowances):				
Taxes	115,323	-	115,323	11,112
Accounts - note 2	144,959	1,234,501	1,379,460	-
Notes	289,184	-	289,184	-
Prepaid expenses	79,694	-	79,694	-
Inventory - note 3	-	657,875	657,875	-
Due from other governments	431,813	-	431,813	-
Total current assets	<u>5,440,246</u>	<u>11,241,379</u>	<u>16,681,625</u>	<u>5,579,161</u>
Noncurrent assets:				
Notes receivable - other funds	-	456,746	456,746	-
Lease receivable	-	-	-	5,774,313
Net pension asset - FRF	1,185,385	-	1,185,385	-
Restricted assets:				
Cash -	-	-	-	716,445
Capital assets - note 4:				
Land	10,984,812	473,825	11,458,637	2,150,305
Other capital assets, net of depreciation	18,811,034	47,580,080	66,391,114	6,116,250
Total noncurrent assets	<u>30,981,231</u>	<u>48,510,651</u>	<u>79,491,882</u>	<u>14,757,313</u>
Total assets	<u>36,421,477</u>	<u>59,752,030</u>	<u>96,173,507</u>	<u>20,336,474</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension obligations - Base Plan	389,090	326,670	715,760	-
Pension obligations - FRF	57,644	-	57,644	-
Total Deferred Outflows of Resources	<u>446,734</u>	<u>326,670</u>	<u>773,404</u>	<u>-</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued expenses	766,448	1,844,157	2,610,605	51,341
Customer deposits payable	222,034	-	222,034	-
Compensated absences payable	209,024	-	209,024	-
Interest payable	1,854	21,294	23,148	224,412
Bonds & notes payable - current maturity	378,942	905,113	1,284,055	1,831,686
Total current liabilities	<u>1,578,302</u>	<u>2,770,564</u>	<u>4,348,866</u>	<u>2,107,439</u>
Noncurrent liabilities:				
Notes payable - other funds	329,389	-	329,389	-
Premium on bonds payable	60,000	983,239	1,043,239	-
Bonds payable - long term	1,012,163	11,100,000	12,112,163	24,633,044
Net pension liability	1,534,995	1,290,144	2,825,139	-
Total noncurrent liabilities	<u>2,936,547</u>	<u>13,373,383</u>	<u>16,309,930</u>	<u>24,633,044</u>
Total liabilities	<u>4,514,849</u>	<u>16,143,947</u>	<u>20,658,796</u>	<u>26,740,483</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources - leases	-	-	-	5,731,365
Employer pension assumption - Base Plan	68,329	46,982	115,311	-
Employer pension assumption - FRF	(8,913)	-	(8,913)	-
Total Deferred Inflows of Resources	<u>59,416</u>	<u>46,982</u>	<u>106,398</u>	<u>5,731,365</u>
<b>NET POSITION</b>				
Net investment in capital assets	28,404,741	36,048,792	64,453,533	2,537,403
Restricted for:				
Capital projects & debt service	-	-	-	716,445
Unrestricted	3,889,205	7,838,979	11,728,184	(15,389,222)
Total Net Assets	<u>\$ 32,293,946</u>	<u>\$ 43,887,771</u>	<u>\$ 76,181,717</u>	<u>\$ (12,135,374)</u>

See accompanying notes to the financial statements.

**CITY OF BURLEY, IDAHO**

Statement of Activities  
For the Year Ended September 30, 2020

Functions / Programs	Primary Government						Component Unit  Burley Development Authority	
	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities		Totals
<b>Governmental Activities:</b>								
General Government	\$ 1,648,422	\$ 2,251,939	\$ -	\$ -	\$ 603,517		\$ 603,517	
Public Safety	3,094,329	225,300	-	-	(2,869,029)		(2,869,029)	
Highways & Streets	1,116,401	-	212,352	-	(904,049)		(904,049)	
Parks and Recreation	520,902	101,862	-	-	(419,040)		(419,040)	
Public Works	1,115,491	83,415	-	-	(1,032,076)		(1,032,076)	
Airport	38,576	13,469	-	-	(25,107)		(25,107)	
Library	482,452	13,452	8,793	-	(460,207)		(460,207)	
Community Development	327,007	-	-	259,820	(67,187)		(67,187)	
Interest on long-term debt	34,704	-	-	-	(34,704)		(34,704)	
Total Governmental Activities	8,378,284	2,689,437	221,145	259,820	(5,207,882)		(5,207,882)	
<b>Business-Type Activities:</b>								
Electric	8,704,745	8,828,189	-	54,312		\$ 177,756	177,756	
Water	2,449,583	2,949,212	-	88,500		588,129	588,129	
Wastewater	4,707,186	5,105,709	-	97,200		495,723	495,723	
Sanitation	1,299,903	1,806,908	-	-		507,005	507,005	
Golf	686,136	528,744	-	-		(157,392)	(157,392)	
Total Business-Type Activities	17,847,553	19,218,762	-	240,012		1,611,221	1,611,221	
Total Primary Government	\$ 26,225,837	\$ 21,908,199	\$ 221,145	\$ 499,832	(5,207,882)	1,611,221	(3,596,661)	
<b>Component Unit:</b>								
Burley Development Authority	\$ 1,417,586	\$ -	\$ -	\$ -			\$ (1,417,586)	
<b>General Revenues</b>								
Property Taxes					2,798,818	-	2,798,818	4,057,967
In Lieu of Taxes					347,375	-	347,375	-
State Highway Use & County Road & Bridge Tax					800,690	-	800,690	-
State Sales and Liquor Taxes					1,251,970	-	1,251,970	-
Franchise Fees					201,102	-	201,102	-
Investment Earnings					34,566	65,502	100,068	52,125
Miscellaneous (permits, rents, etc.)					335,681	-	335,681	305,468
Gain/loss on Sale of Assets					32,773	-	32,773	1,460,000
Transfers					(87,104)	87,104	-	-
Total General Revenues and Transfers					5,715,871	152,606	5,868,477	5,875,560
Change in Net Position					507,989	1,763,827	2,271,816	4,457,974
Net Position Beginning of Year					31,785,957	42,123,944	73,909,901	(16,593,348)
Net Position End of Year					\$ 32,293,946	\$ 43,887,771	\$ 76,181,717	\$ (12,135,374)

See accompanying notes to the financial statements.



**CITY OF BURLEY, IDAHO**

Balance Sheet  
Governmental Funds  
September 30, 2020

	General Fund	Library Fund	Gen. Oblig. Bond Fund	Grant & Construction Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 2,481,960	\$ 473,177	\$ -	\$ 59,666	\$ 3,014,803
Receivables (net of allowances):					
Taxes	115,323	-	-	-	115,323
Accounts	144,959	-	-	-	144,959
Grants	104,364	-	-	184,820	289,184
Due from other funds	-	-	-	-	-
Due from other governments	431,813	-	-	-	431,813
<b>Total assets</b>	<b>\$ 3,278,419</b>	<b>\$ 473,177</b>	<b>\$ -</b>	<b>\$ 244,486</b>	<b>\$ 3,996,082</b>
<b>LIABILITIES AND FUND EQUITY:</b>					
Liabilities:					
Vouchers payable and accrued liabilities	\$ 478,720	\$ 16,109	\$ -	\$ 257,349	\$ 752,178
Utility customer deposits	222,034	-	-	-	222,034
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>700,754</b>	<b>16,109</b>	<b>-</b>	<b>257,349</b>	<b>974,212</b>
<b>DEFERRED INFLOW OF RESOURCES:</b>					
Unavailable revenue - property taxes	94,184	-	-	-	94,184
<b>FUND BALANCE:</b>					
Restricted for:					
Capital projects	-	-	-	-	-
Committed:					
General Obligation Bond Fund	-	-	-	-	-
Library Fund	-	457,068	-	-	457,068
Grant Fund	-	-	-	(12,863)	(12,863)
Unassigned: General Fund	2,483,481	-	-	-	2,483,481
<b>Total fund balances</b>	<b>2,483,481</b>	<b>457,068</b>	<b>-</b>	<b>(12,863)</b>	<b>2,927,686</b>
<b>Total liabilities, deferred inflow of resources and fund balances</b>	<b>\$ 3,278,419</b>	<b>\$ 473,177</b>	<b>\$ -</b>	<b>\$ 244,486</b>	<b>\$ 3,996,082</b>

See accompanying notes to the financial statements.

## CITY OF BURLEY, IDAHO

### Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities September 30, 2020

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Total Governmental Fund Balances	\$ 2,927,686
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	29,795,846
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Property Taxes	94,184
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	1,429,894
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences	(209,024)
General Obligation Bonds (GOB) payable	(955,000)
Other long-term notes payable	(496,105)
Notes payable - other funds	(329,389)
Accrued interest payable	(1,854)
Net pension assets, liabilities, and associated deferred items are not available to pay for current period expenditures and therefore are deferred in the funds:	
Deferred outflows of resources	446,734
Deferred inflows of resources	(59,416)
Net pension asset, FRF	1,185,385
Net pension liability	<u>(1,534,995)</u>
Net Position of Governmental Activities	<u>\$ 32,293,946</u>

See accompanying notes to the financial statements.

**CITY OF BURLEY, IDAHO**

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

	<b>General Fund</b>	<b>Library Fund</b>	<b>Gen. Oblig. Bond Fund</b>	<b>Grant &amp; Construction Fund</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>					
Taxes	\$ 3,156,161	\$ 461,719	\$ 330,160	\$ -	\$ 3,948,040
Licenses and permits	335,681	-	-	-	335,681
Intergovernmental	1,251,970	-	-	-	1,251,970
Charges for services	2,623,756	7,201	-	-	2,630,957
Franchise fees	201,102	-	-	-	201,102
Fees and fines	65,304	6,251	-	-	71,555
Grants / Donations	212,352	8,793	-	259,820	480,965
Miscellaneous	46,241	8,023	-	-	54,264
<b>Total revenues</b>	<b>7,892,567</b>	<b>491,987</b>	<b>330,160</b>	<b>259,820</b>	<b>8,974,534</b>
<b>Expenditures:</b>					
Legislative	231,847	-	-	-	231,847
Executive	29,982	-	-	-	29,982
Administrative	929,597	-	-	2,000	931,597
Purchasing	-	-	-	-	-
Legal & Professional	184,266	-	-	-	184,266
Buildings	286,690	-	-	-	286,690
Police	1,734,441	-	-	-	1,734,441
Fire	1,259,651	-	-	-	1,259,651
Animal control	139,422	-	-	-	139,422
Streets	1,384,551	-	-	-	1,384,551
Engineering	158,160	-	-	-	158,160
Equipment maintenance	377,769	-	-	-	377,769
Airport	36,072	-	-	-	36,072
Parks and recreation	336,312	-	-	-	336,312
Swimming	150,700	-	-	-	150,700
Cemetery	277,308	-	-	-	277,308
Library	-	468,286	-	-	468,286
Debt Service - Principal	-	-	275,000	-	275,000
Debt Service - Interest	-	-	55,160	-	55,160
Capital outlays	15,575	-	-	311,432	327,007
<b>Total expenditures</b>	<b>7,532,343</b>	<b>468,286</b>	<b>330,160</b>	<b>313,432</b>	<b>8,644,221</b>
Excess of revenues over (under) expenditures	360,224	23,701	-	(53,612)	330,313
<b>Other financing sources (uses)</b>					
Transfers in	-	13,000	-	-	13,000
Transfers out	(100,104)	-	-	-	(100,104)
Bond / loan proceeds	-	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(100,104)</b>	<b>13,000</b>	<b>-</b>	<b>-</b>	<b>(87,104)</b>
Net change in fund balances	260,120	36,701	-	(53,612)	243,209
Fund balance - beginning	2,223,361	420,367	-	40,749	2,684,477
Fund balance - ending	\$ 2,483,481	\$ 457,068	\$ -	\$ (12,863)	\$ 2,927,686

See accompanying notes to the financial statements.

## CITY OF BURLEY, IDAHO

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended September 30, 2020

Net Change in Fund Balances - Total Governmental Funds \$ 243,209

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period:

Fixed asset additions - purchased	\$ 530,976	
Fixed asset additions - contributed	-	
Depreciation expense	<u>(776,204)</u>	
Excess of capital outlay over depreciation		(245,228)

Because some property taxes will not be collected for several months after the City's fiscal year ends, they are not considered as "available" revenues in the governmental funds. This is the increase/(decrease) in deferred unavailable revenue. (1,157)

The issuance of long-term debt provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Repayment of loan principal - GOB		295,000
Repayment (borrowing) of loan principal - Other Loans		155,571

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. These include: Net change in compensated absences (3,003)

Decrease (inc) in accrued interest on long-term debt		456
Basis in assets sold		-

Internal service funds are used by management to charge the costs of insurance to individual funds. The net revenue/(expense) of the internal service funds are reported with governmental activities - current year 168,168

Changes in net pension liability and related pension obligations deferred outflow and employer pension assumption deferred inflow of resources do not provide required current financial resources and therefore are not reflected in the funds. (105,027)

Change in Net Position of Governmental Activities \$ 507,989

See accompanying notes to the financial statements.

## CITY OF BURLEY, IDAHO

Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
General Fund  
Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget: Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes	\$ 3,158,900	\$ 3,158,900	\$ 3,156,161	\$ (2,739)
Licenses and permits	165,800	165,800	335,681	169,881
Intergovernmental	1,072,000	1,072,000	1,251,970	179,970
Charges for services	2,811,645	2,811,645	2,623,756	(187,889)
Franchise fees	273,540	273,540	201,102	(72,438)
Fines	92,000	92,000	65,304	(26,696)
Grants / Donations	216,016	216,016	212,352	(3,664)
Miscellaneous	29,045	29,045	46,241	17,196
<b>Total revenues</b>	<b>7,818,946</b>	<b>7,818,946</b>	<b>7,892,567</b>	<b>73,621</b>
<b>Expenditures:</b>				
Legislative	355,719	355,719	231,847	123,872
Executive	35,454	35,454	29,982	5,472
Administrative	1,080,764	1,080,764	929,597	151,167
Purchasing	-	-	-	-
Legal	193,062	193,062	184,266	8,796
Buildings	306,364	306,364	286,690	19,674
Police	1,734,441	1,734,441	1,734,441	-
Fire	1,271,369	1,271,369	1,259,651	11,718
Animal control	158,917	158,917	139,422	19,495
Streets	1,581,229	1,581,229	1,384,551	196,678
Engineering	175,292	175,292	158,160	17,132
Equipment maintenance	374,192	374,192	377,769	(3,577)
Airport	36,950	36,950	36,072	878
Parks and recreation	297,241	297,241	336,312	(39,071)
Swimming	157,466	157,466	150,700	6,766
Cemetery	306,715	306,715	277,308	29,407
Construction	22,000	22,000	15,575	6,425
<b>Total expenditures</b>	<b>8,087,175</b>	<b>8,087,175</b>	<b>7,532,343</b>	<b>554,832</b>
Excess (deficiency) of revenues over expenditures	(268,229)	(268,229)	360,224	628,453
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(155,755)	(155,755)	(100,104)	55,651
Bond / loan proceeds	185,000	185,000	-	(185,000)
Proceeds from the sale of capital assets	-	-	-	-
Excess (deficiency) of revenues over expenditures and other sources (uses)	(238,984)	(238,984)	260,120	499,104
Fund balance - beginning	2,223,361	2,223,361	2,223,361	-
<b>Fund balance - ending</b>	<b>\$ 1,984,377</b>	<b>\$ 1,984,377</b>	<b>\$ 2,483,481</b>	<b>\$ 499,104</b>

See accompanying notes to the financial statements.

## CITY OF BURLEY, IDAHO

Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Library Fund  
Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget: Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes	\$ 467,031	\$ 467,031	\$ 461,719	\$ (5,312)
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	7,200	7,200	7,201	1
Franchise fees	-	-	-	-
Fines	6,200	6,200	6,251	51
Grants / Donations	31,300	31,300	8,793	(22,507)
Miscellaneous	11,400	11,400	8,023	(3,377)
<b>Total revenues</b>	<b>523,131</b>	<b>523,131</b>	<b>491,987</b>	<b>(31,144)</b>
<b>Expenditures:</b>				
Legislative	-	-	-	-
Executive	-	-	-	-
Administrative	-	-	-	-
Purchasing	-	-	-	-
Legal	-	-	-	-
Buildings	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Animal control	-	-	-	-
Streets	-	-	-	-
Engineering	-	-	-	-
Equipment maintenance	-	-	-	-
Airport	-	-	-	-
Parks and recreation	-	-	-	-
Swimming	-	-	-	-
Cemetery	-	-	-	-
Library	541,131	541,131	468,286	72,845
<b>Total expenditures</b>	<b>541,131</b>	<b>541,131</b>	<b>468,286</b>	<b>72,845</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(18,000)</b>	<b>(18,000)</b>	<b>23,701</b>	<b>41,701</b>
<b>Other financing sources (uses)</b>				
Transfers in	18,000	18,000	13,000	5,000
Transfers out	-	-	-	-
Bond / loan proceeds	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-
<b>Excess (deficiency) of revenues over expenditures and other sources (uses)</b>	<b>-</b>	<b>-</b>	<b>36,701</b>	<b>36,701</b>
<b>Fund balance - beginning</b>	<b>420,367</b>	<b>420,367</b>	<b>420,367</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ 420,367</b>	<b>\$ 420,367</b>	<b>\$ 457,068</b>	<b>\$ 36,701</b>

See accompanying notes to the financial statements.

## CITY OF BURLEY, IDAHO

Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
General Obligation Bond Fund  
Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget: Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes	\$ 331,750	\$ 331,750	\$ 330,160	\$ (1,590)
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>331,750</b>	<b>331,750</b>	<b>330,160</b>	<b>(1,590)</b>
<b>Expenditures:</b>				
Legislative	-	-	-	-
Executive	-	-	-	-
Administrative	-	-	-	-
Purchasing	-	-	-	-
Legal	-	-	-	-
Buildings	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Animal control	-	-	-	-
Streets	-	-	-	-
Equipment maintenance	-	-	-	-
Airport	-	-	-	-
Parks and recreation	-	-	-	-
Swimming	-	-	-	-
Cemetery	-	-	-	-
Debt Service - Principal	275,000	275,000	275,000	-
Debt Service - Interest	56,750	56,750	55,160	1,590
<b>Total expenditures</b>	<b>331,750</b>	<b>331,750</b>	<b>330,160</b>	<b>1,590</b>
Excess (deficiency) of revenues over expenditures	-	-	-	-
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Bond / loan proceeds	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-
Excess (deficiency) of revenues over expenditures and other sources (uses)	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

See accompanying notes to the financial statements.

## CITY OF BURLEY, IDAHO

Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Grant & Construction Fund  
Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget: Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Franchise fees	-	-	-	-
Fines	-	-	-	-
Grants / Donations	2,959,500	2,959,500	259,820	(2,699,680)
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>2,959,500</b>	<b>2,959,500</b>	<b>259,820</b>	<b>(2,699,680)</b>
<b>Expenditures:</b>				
Legislative	-	-	-	-
Executive	-	-	-	-
Administrative	487,000	487,000	2,000	485,000
Purchasing	-	-	-	-
Legal	-	-	-	-
Buildings	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Animal control	-	-	-	-
Streets	-	-	-	-
Equipment maintenance	-	-	-	-
Airport	-	-	-	-
Parks and recreation	-	-	-	-
Swimming	-	-	-	-
Cemetery	-	-	-	-
Construction	2,472,500	2,472,500	311,432	2,161,068
<b>Total expenditures</b>	<b>2,959,500</b>	<b>2,959,500</b>	<b>313,432</b>	<b>2,646,068</b>
Excess (deficiency) of revenues over expenditures	-	-	(53,612)	(53,612)
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Bond / loan proceeds	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-
Excess (deficiency) of revenues over expenditures and other sources (uses)	-	-	(53,612)	(53,612)
Fund balance - beginning	40,749	40,749	40,749	-
Fund balance - ending	<b>\$ 40,749</b>	<b>\$ 40,749</b>	<b>\$ (12,863)</b>	<b>\$ (53,612)</b>

See accompanying notes to the financial statements.



**CITY OF BURLEY, IDAHO**

Statement of Net Position  
Proprietary Funds  
September 30, 2020

	Business-Type Activities Enterprise Funds					Totals	Governmental Activities-
	Electric Fund	Water Fund	Wastewater Fund	Sanitation Fund	Golf Fund		Internal Service Funds
<b>ASSETS</b>							
Current assets:							
Cash & investments	\$ 2,026,894	\$ 2,187,375	\$ 4,510,862	\$ 564,546	\$ 59,326	\$ 9,349,003	\$ 1,364,470
Receivables (net of allowances):							
Accounts	605,652	185,503	336,215	105,148	1,983	1,234,501	-
Prepaid expenses	-	-	-	-	-	-	79,694
Inventory	460,964	196,911	-	-	-	657,875	-
Total current assets	3,093,510	2,569,789	4,847,077	669,694	61,309	11,241,379	1,444,164
Noncurrent assets:							
Notes receivable - other funds	109,496	-	347,250	-	-	456,746	-
Restricted assets	-	-	-	-	-	-	-
Capital Assets:							
Land	170,235	242,114	48,976	12,500	-	473,825	-
Other capital assets, net of depr	3,694,798	9,045,453	33,552,300	976,073	311,456	47,580,080	-
Total noncurrent assets	3,974,529	9,287,567	33,948,526	988,573	311,456	48,510,651	-
Total assets	7,068,039	11,857,356	38,795,603	1,658,267	372,765	59,752,030	1,444,164
<b>DEFERED OUTFLOWS OF RESOURCES</b>							
Pension Obligations	99,620	61,756	86,208	55,049	24,037	326,670	
Total deferred inflows of resources	99,620	61,756	86,208	55,049	24,037	326,670	
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable & accrued exp	1,070,016	186,291	436,555	92,677	58,618	1,844,157	14,270
Deferred revenue	-	-	-	-	-	-	-
Interest payable	-	1,858	19,436	-	-	21,294	-
Due to other funds	-	-	-	-	-	-	-
Bonds & notes payable - current	-	105,000	780,000	-	20,113	905,113	-
Total current liabilities	1,070,016	293,149	1,235,991	92,677	78,731	2,770,564	14,270
Noncurrent liabilities:							
Premium on bonds payable	-	94,093	889,146	-	-	983,239	-
Bonds & notes payable	-	1,025,000	10,075,000	-	-	11,100,000	-
Net pension liability	393,440	243,896	340,467	217,409	94,932	1,290,144	-
Total liabilities	393,440	1,362,989	11,304,613	217,409	94,932	13,373,383	-
<b>DEFERED INFLOWS OF RESOURCES</b>							
Employer Pension Assumption	14,328	8,882	12,397	7,917	3,458	46,982	
Total deferred inflows of resources	14,328	8,882	12,397	7,917	3,458	46,982	
<b>NET POSITION</b>							
Net Investment in capital assets	3,865,033	8,157,567	22,746,276	988,573	291,343	36,048,792	-
Restricted for:							
Capital projects	-	-	-	-	-	-	-
Unrestricted	1,824,842	2,096,525	3,582,534	406,740	(71,662)	7,838,979	1,429,894
Total net position	\$ 5,689,875	\$ 10,254,092	\$ 26,328,810	\$ 1,395,313	\$ 219,681	\$ 43,887,771	\$ 1,429,894

See accompanying notes to the financial statements.

**CITY OF BURLEY, IDAHO**

Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended September 30, 2020

	Business-Type Activities Enterprise Funds					Totals	Governmental Activities-
	Electric Fund	Water Fund	Wastewater Fund	Sanitation Fund	Golf Fund		Internal Service Funds
Operating revenues:							
Charges for utilities	\$ 8,822,016	\$ 2,896,486	\$ 4,889,974	\$ 1,806,908	\$ 528,744	\$ 18,944,128	\$ 2,209,546
Less cost of utilities	(5,501,905)	-	-	-	-	(5,501,905)	-
Gross profit on utilities	3,320,111	2,896,486	4,889,974	1,806,908	528,744	13,442,223	2,209,546
Other service charges	6,173	52,726	215,735	-	-	274,634	-
Total operating revenues	3,326,284	2,949,212	5,105,709	1,806,908	528,744	13,716,857	2,209,546
Operating expenses:							
Salaries & temp services	637,416	402,511	536,761	347,162	155,913	2,079,763	-
F.I.C.A. taxes	47,111	29,205	39,708	26,018	11,348	153,390	-
State retirement	149,171	79,095	104,219	75,749	42,566	450,800	-
Workman's compensation	8,162	11,643	13,270	22,992	146	56,213	-
Health and accident insurance	153,130	136,305	319,734	133,106	58,987	801,262	2,041,378
Operating supplies	43,528	106,099	348,236	139,090	72,838	709,791	-
Motor fuels and lubricants	12,942	12,020	23,007	77,066	11,349	136,384	-
Professional services	6,725	102,368	433,592	5,628	2,250	550,563	-
Advertising and printing	3,095	2,525	2,695	671	-	8,986	-
Insurance	13,956	13,000	54,923	20,625	4,450	106,954	-
Memberships, travel and training	68,245	7,640	8,278	154	948	85,265	-
Utilities and telephone	77,752	257,022	426,191	14,010	25,185	800,160	-
Rent - buildings and equipment	30,600	22,440	14,727	45,000	-	112,767	-
Maintenance expense	288,209	540,459	621,960	198,864	89,933	1,739,425	-
Other purchased services	36,407	31,190	16,916	9,035	93,469	187,017	-
Miscellaneous expense	195	101	2,919	48	3,017	6,280	-
Bad debts	2,141	232	588	633	-	3,594	-
Conservation	28,259	19,953	-	-	-	48,212	-
Tax equivalents paid to Gen. Fund	347,375	-	-	-	-	347,375	-
Depreciation expense	311,777	488,844	1,186,248	150,052	95,332	2,232,253	-
Administrative services	904,966	120,000	135,000	25,000	2,595	1,187,561	-
Legal services	27,500	31,875	64,000	9,000	-	132,375	-
Total operating expenses	3,198,662	2,414,527	4,352,972	1,299,903	670,326	11,936,390	2,041,378
Operating income (loss)	127,622	534,685	752,737	507,005	(141,582)	1,780,467	168,168
Non-operating revenues (expenses)							
Grant revenue	-	-	-	-	-	-	-
Capital Contributions	54,312	88,500	97,200	-	-	240,012	-
Sale of fixed assets	-	-	-	-	-	-	-
Interest income	10,205	7,767	47,366	123	41	65,502	-
Interest (expense)	(4,178)	(35,056)	(354,214)	-	(15,810)	(409,258)	-
Total non-operating revenues (exp)	60,339	61,211	(209,648)	123	(15,769)	(103,744)	-
Income(Loss) before transfers	187,961	595,896	543,089	507,128	(157,351)	1,676,723	168,168
Transfers In	-	-	-	-	87,104	87,104	-
Transfers Out	-	-	-	-	-	-	-
Change in Net Position	187,961	595,896	543,089	507,128	(70,247)	1,763,827	168,168
Net Position Beginning of Year	5,501,914	9,658,196	25,785,721	888,185	289,928	42,123,944	1,261,726
Net Position End of Year	\$ 5,689,875	\$10,254,092	\$26,328,810	\$ 1,395,313	\$ 219,681	\$ 43,887,771	\$ 1,429,894

See accompanying notes to the financial statements.

**CITY OF BURLEY, IDAHO**

Statement of Cash Flows  
Proprietary Funds  
For the Year Ended September 30, 2020

	Business-Type Activities Enterprise Funds					Totals	Governmental Activities- Internal Service Funds
	Electric Fund	Water Fund	Wastewater Fund	Sanitation Fund	Golf Fund		
Cash flows provided by operating activities:							
Receipts from customers and users	\$ 8,879,283	\$ 2,952,419	\$ 5,117,555	\$ 1,815,285	\$ 528,744	\$ 19,293,286	\$ 2,209,546
Payments to suppliers	(6,261,748)	(1,260,034)	(2,326,309)	(759,766)	(414,135)	(11,021,992)	\$ (2,111,686)
Payments to employees	(562,457)	(365,942)	(495,254)	(311,210)	(134,658)	(1,869,521)	-
Payments for interfund services used	(932,466)	(151,875)	(199,000)	(34,000)	(2,595)	(1,319,936)	-
Other receipts/(payments)	(347,375)	-	-	-	-	(347,375)	-
Net cash provided (used) by operating activities	775,237	1,174,568	2,096,992	710,309	(22,644)	4,734,462	97,860
Cash flows from noncapital and related financing activities:							
Grants received	-	-	-	-	-	-	-
Transfers from (to) other funds	-	-	-	-	87,104	87,104	-
Net cash provided (used) by noncapital and related financing activities	-	-	-	-	87,104	87,104	-
Cash flows from capital and related financing activities:							
Proceeds from long-term debt	-	-	-	-	-	-	-
Capital contributions	54,312	88,500	97,200	-	-	240,012	-
Principal and interest paid on long-term debt	(4,178)	(155,228)	(1,248,165)	-	(45,484)	(1,453,055)	-
Transfer to restricted assets	-	-	-	-	-	-	-
Acquisition of capital assets	(27,960)	(176,096)	(949,763)	(580,592)	-	(1,734,411)	-
Net cash used by capital and related financing activities	22,174	(242,824)	(2,100,728)	(580,592)	(45,484)	(2,947,454)	-
Cash flows from investing activities:							
Loans to other funds	(34,050)	-	-	-	-	(34,050)	-
Principal received on loans to other funds	-	-	93,082	-	-	93,082	-
Interest received on Investments	10,205	7,767	47,366	123	41	65,502	-
Net cash provided by investing activities	(23,845)	7,767	140,448	123	41	124,534	-
Net increase (decrease) in cash	773,566	939,511	136,712	129,840	19,017	1,998,646	97,860
Cash at beginning of year (including restricted)	1,253,328	1,247,864	4,374,150	434,706	40,309	7,350,357	1,266,610
Cash at end of year (including restricted)	\$ 2,026,894	\$ 2,187,375	\$ 4,510,862	\$ 564,546	\$ 59,326	\$ 9,349,003	\$ 1,364,470
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>							
Operating income (loss)	\$ 127,622	\$ 534,685	\$ 752,737	\$ 507,005	\$ (141,582)	\$ 1,780,467	\$ 168,168
Depreciation & amortization	311,777	488,844	1,186,248	150,052	95,332	2,232,253	-
(Increase) decrease in accounts receivable	51,094	3,207	11,846	8,377	-	74,524	(79,694)
(Increase) decrease in inventory	284,923	34,322	-	-	-	319,245	-
Increase (decrease) in payables	(75,138)	76,941	104,654	8,923	2,351	117,731	9,386
Net non-cash pension (revenue) expense	74,959	36,569	41,507	35,952	21,255	210,242	-
Net cash provided (used) by operating activities	\$ 775,237	\$ 1,174,568	\$ 2,096,992	\$ 710,309	\$ (22,644)	\$ 4,734,462	\$ 97,860

See accompanying notes to the financial statements.

## CITY OF BURLEY, IDAHO

Statement of Fiduciary Net Position  
Fiduciary Funds  
September 30, 2020

	<b>Burley Library Building Fund</b>	<b>Community Projects Fund</b>	<b>Total Fiduciary Funds</b>
<b>ASSETS</b>			
Cash & Investments	\$ 233,488	\$ (20,814)	\$ 212,674
Prepaid Expenses	-	-	-
Other Assets	-	-	-
Total assets	<u>233,488</u>	<u>(20,814)</u>	<u>212,674</u>
<b>LIABILITIES</b>			
Accounts Payable and Accrued Expenses	-	13,575	13,575
Deferred Revenue	-	-	-
Interest Payable	-	-	-
Long-Term Liabilities - Note 6:			
Due Within One Year	-	-	-
Due in More Than One Year	-	-	-
Total liabilities	<u>-</u>	<u>13,575</u>	<u>13,575</u>
<b>NET POSITION</b>			
Held in Trust	<u>233,488</u>	<u>(34,389)</u>	<u>199,099</u>
Total Net Position	<u>\$ 233,488</u>	<u>\$ (34,389)</u>	<u>\$ 199,099</u>

See accompanying notes to the financial statements.

**CITY OF BURLEY, IDAHO**

Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended September 30, 2020

	<b>Burley Library Building Fund</b>	<b>Community Projects Fund</b>	<b>Total Fiduciary Funds</b>
<b>ADDITIONS:</b>			
Donations	\$ 300	\$ 1,125	\$ 1,425
Investment earnings (losses)	2,208	-	2,208
Total additions	<u>2,508</u>	<u>1,125</u>	<u>3,633</u>
<b>DEDUCTIONS:</b>			
Community projects	-	72,590	72,590
Library construction	-	-	-
Other expenses	-	-	-
Total deductions	<u>-</u>	<u>72,590</u>	<u>72,590</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN NET POSITION:</b>	2,508	(71,465)	(68,957)
Net position - beginning of year	230,980	37,076	268,056
Net position - end of year	<u>\$ 233,488</u>	<u>\$ (34,389)</u>	<u>\$ 199,099</u>

See accompanying notes to the financial statements.

# CITY OF BURLEY, IDAHO

Notes to Financial Statements  
September 30, 2020

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## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### A. Reporting Entity

The City of Burley was incorporated April 10, 1905. The City operates under a Mayor-City Council form of government. The six-member City Council and Mayor have governing responsibilities over all of the activities relating to the City of Burley. The City provides the following services: Public safety, public works, recreation and community development.

The component unit, the Burley Development Authority (BDA), is included in the City's reporting entity because of the significance of its operational and financial relationship with the City. The BDA's activities are presented in a separate column in the accompanying financial statements. The BDA is a separate and distinct legal entity authorized by state statute but does not have fiscal independence from the City. The commissioners are appointed by the Mayor and approved by the City Council and at termination of the BDA, the assets of the BDA revert to the City.

### B. Government-Wide Financial Statements

The government-wide financial statements, which are the statement of net position and the statement of activities, report information on all of the non-fiduciary activities of the primary government and component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position presents the financial condition of the governmental and business-type activities for the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

### C. Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

### D. 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 fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

## CITY OF BURLEY, IDAHO

Notes to Financial Statements

September 30, 2020

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Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period and other revenues if they are collected within 90 days of the end of the current period. 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 government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Library Fund is a special revenue fund and accounts for and reports the operational activity of the City's library.

The General Obligation Bond Fund is a special revenue fund and reports the receipt of property taxes and principal and interest payments on the City's general obligation bonds.

The Grand and Construction Fund is used to account for the construction of major capital projects. activity of the City's library.

The government reports the following major proprietary funds:

The Electric fund accounts for the operations of providing electricity to the citizens of the City.

The Water Fund accounts for the operations of providing water to the citizens of the City.

The Wastewater Fund accounts for the operations of the City's wastewater system.

The Sanitation Fund accounts for the operations of providing collection and disposal of all municipal solid waste within the City.

The Golf Fund accounts for the operations of the City's municipal golf course.

As a general rule, the effect of interfund activity is eliminated from the government-wide financial statements. An exception to this rule is for payments from the Enterprise Funds to the General Fund for accounting and billing services rendered and rent of facilities. Elimination of these charges would distort the direct costs and program revenues of the funds involved.

Amounts reported as program revenues include charges to customers for goods and services, operating grants and contributions, and capital grants and contributions. All taxes are reported as general revenues as are internally dedicated resources.

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

## CITY OF BURLEY, IDAHO

Notes to Financial Statements

September 30, 2020

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### Fiduciary Funds

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the City under the terms of a formal trust agreement.

### Internal Service Funds

Internal service funds account for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

### E. Fund Balance Classifications

Fund Balance Reserves - The City has adopted GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement establishes criteria for classifying governmental fund balances into specifically defined classifications. Classifications are hierarchical and are based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. Application of the Statement requires the City to classify and report amounts in the appropriate fund balance classifications. The City's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of restricted, committed, assigned or unassigned.

The City reports the following classifications as applicable:

**Non-spendable Fund Balance** - Non-spendable fund balances are amounts that cannot be spent because they are either: (a) not in spendable form - such as inventory or prepaid insurance, or (b) legally or contractually required to be maintained intact - such as a trust that must be retained in perpetuity.

**Restricted Fund Balance** - Restricted fund balances are amounts that cannot be spent because they are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions are placed on fund balances when legally enforceable legislation establishes a specific purpose for the funds. Legal enforceability means that the City can be compelled by an external party (e.g. citizens, public interest groups, the judiciary) to use resources created by enabling legislation only for the purposes specified by the legislation.

**Committed Fund Balance** - Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by the City Council. Amounts in the committed fund balance classification may be used for other purposes with appropriate due process by the City Council. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

**Assigned Fund Balance** - Assigned fund balances are amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by: (a) the secretary/treasurer, or (b) an appointed body (e.g. a budget or finance committee) or an official to which the City Council have delegated the Agency to assign, modify, or rescind amounts to be used for specific purposes. Assigned fund balance includes: (a) all remaining amounts that are reported in governmental funds (other than the general fund) that are not classified as non-spendable, restricted, or committed, and (b) amounts in the general fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, are assigned for purposes in accordance with the nature of their fund type. Assignment within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the City itself.

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



# CITY OF BURLEY, IDAHO

Notes to Financial Statements

September 30, 2020

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## E. Deposits and Investments

*Deposits:* Custodial credit risk, in the case of deposits, is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City has no deposit policy for custodial credit risk. At year end, \$10,155,163 of the City's bank balance was exposed to custodial credit risk because it was uninsured and uncollateralized.

*Investments:* Custodial credit risk, in the case of investments, is the risk that in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year end, the City held the following investments:

<u>Investment Type</u>	<u>Fair Value</u>		
Idaho State Local Government Investment Pool	\$ 767,002	158 days	Maturity

These investments are unrated external investment pools sponsored by the Idaho State Treasurer's Office. They are classified as "Investments in an External Investment Pool" and are exempt from custodial credit risk and concentration of credit risk reporting. Interest rate risk is summarized as follows: Asset-backed securities are reported using weighted average life to more accurately reflect the projected term of the security, considering interest rates and repayment factors.

The elected Idaho State Treasurer, following Idaho Code, Section 67-2328, is authorized to sponsor an investment pool in which the City voluntarily participates. The Pool is not registered with the Securities and Exchange Commission or any other regulatory body - oversight is with the State Treasurer, and Idaho Code defines allowable investments. All investments are entirely insured or collateralized with securities held by the Pool or by its agent in the Pool's name. The fair value of the City's position in the external investment pool is the same as the value of the pool shares.

*Credit Risk:* The City's policy is to comply with Idaho State statutes which authorize the City to invest in obligations of the United States, obligations of the State or any taxing district in the State, obligations issued by the Farm Credit System, obligations of public corporations of the State of Idaho, repurchase agreements, tax anticipation notes of the State or taxing district in the State, time deposits, savings deposits, revenue bonds of institutions of higher education, and the State Treasurer's Pool.

*Interest rate risk and concentration of credit risk:* The City has no policy regarding these two investment risk categories.

### *Fair Value of Investments*

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1:* Quoted prices for identical investments in active markets;
- Level 2:* Observable inputs other than quoted market prices; and,
- Level 3:* Unobservable inputs.

The investments held with the State of Idaho are stated at fair value as of year end.

## F. Inventory

Inventories are valued at the lower of cost (first-in, first-out basis) or market. See Note 3.

# CITY OF BURLEY, IDAHO

Notes to Financial Statements

September 30, 2020

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## G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, lighting systems and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. All material fixed assets are valued at historical cost. Donated fixed assets are valued at their estimated fair value on the date donated. When an asset is disposed of, cost and related accumulated depreciation are removed, and any gain or loss arising from its disposal is credited or charged to operations. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Depreciation of all exhaustible fixed assets is charged as an expense against operations. Capital assets are reported net of accumulated depreciation on the statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	25-40 years
Improvements	10-45 years
Equipment	3-10 years

## H. Long-Term Liabilities

Long-term liabilities consist of bonds, notes, and other indebtedness including material liabilities associated with compensated absences.

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position.

## I. Budgets and Budgetary Accounting

The City follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to August 1, the City Clerk's office, after consultation with the various department heads, submits to the city councilmen a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. At the regular council meeting on the 1st Tuesday in August the tentative budget is submitted to the councilmen and cleared for publications and public comment.
3. A public hearing is held at the regular council meeting on the 1st Tuesday in September to obtain public comment. After public comment, the budget is finalized and legally adopted.
4. Revisions to the budget can only be made by court order, public hearing or certain emergencies as defined by law.
5. Formal budgetary integration is employed as a management control device during the year for all Funds of the City.
6. Encumbrance accounting is not used for budget purposes and appropriations lapse at year end.

## J. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts

Accumulated unpaid vacation, sick pay, and other employee benefit amounts are accrued in the proprietary funds and the governmental funds in the statement of net position.

## CITY OF BURLEY, IDAHO

Notes to Financial Statements

September 30, 2020

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K. Encumbrances

Encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City because it is not considered necessary at present to assure effective budgetary control or to facilitate effective cash planning and control.

L. Use of Estimates

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

M. Application of Restricted or Unrestricted Resources

The City's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

N. Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and the Firefighters' Retirement Fund Plan (FRF) and additions to/deductions from Base Plan and FRF's fiduciary net position have been determined on the same basis as they are reported by the Base Plan and the FRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NOTE 2: ACCOUNTS RECEIVABLE AND ALLOWANCE FOR UNCOLLECTIBLES**

An allowance for uncollectible utility accounts has been determined to be approximately equal to utility receivables outstanding 90 days or more, which totals \$312,948.

The City has not experienced any significant loss of delinquent taxes receivable in past years and, therefore, does not consider it necessary to establish any allowance for uncollectible taxes receivable.

**NOTE 3: INVENTORIES**

Cost of electrical fund and water and sewer fund materials and supplies inventories are determined by the first-in, first-out method (FIFO) and are stated at the lower of cost or market. Electric fund inventory at September 30, 2020 was \$460,964, consisting of electrical system replacement parts. Water fund inventory was \$196,911 consisting of water supply parts. Sewer fund inventory is considered immaterial.

**CITY OF BURLEY, IDAHO**

Notes to Financial Statements

September 30, 2020

**NOTE 4: CAPITAL ASSETS**

A summary of changes in capital assets follows:

<b>Primary Government</b>	Balance			Balance
	9/30/2019	Additions	Deletions	9/30/2020
<u>Governmental Activities</u>				
<b>Cost / Historical Value</b>				
Land (non-depreciable)	\$ 10,984,812	\$ -	\$ -	\$ 10,984,812
Buildings	8,267,634	-	-	8,267,634
Improvements other than buildings	13,280,768	-	-	13,280,768
Infrastructure assets	6,702,349	-	-	6,702,349
Equipment	3,383,202	530,976	-	3,914,178
<b>Total</b>	<b>42,618,765</b>	<b>530,976</b>	<b>-</b>	<b>43,149,741</b>
<b>Accumulated Depreciation:</b>				
Buildings	3,656,551	190,880	-	3,847,431
Improvements other than buildings	4,827,306	308,548	-	5,135,854
Infrastructure assets	2,063,351	154,973	-	2,218,324
Equipment	2,030,483	121,803	-	2,152,286
<b>Total</b>	<b>12,577,691</b>	<b>776,204</b>	<b>-</b>	<b>13,353,895</b>
<b>Net Book Value:</b>				
Land (non-depreciable)	10,984,812	-	-	10,984,812
Buildings	4,611,083	(190,880)	-	4,420,203
Improvements other than buildings	8,453,462	(308,548)	-	8,144,914
Infrastructure assets	4,638,998	(154,973)	-	4,484,025
Equipment	1,352,719	409,173	-	1,761,892
<b>Total</b>	<b>\$ 30,041,074</b>	<b>\$ (245,228)</b>	<b>\$ -</b>	<b>\$ 29,795,846</b>
<u>Business-type Activities</u>				
<u>Electric Fund</u>				
<b>Cost / Historical Value</b>				
Land (non-depreciable)	\$ 170,235	\$ -	\$ -	\$ 170,235
Buildings	352,131	-	-	352,131
Improvements other than buildings	9,519,708	-	-	9,519,708
Equipment	1,684,017	27,960	-	1,711,977
<b>Total</b>	<b>11,726,091</b>	<b>27,960</b>	<b>-</b>	<b>11,754,051</b>
<b>Accumulated Depreciation:</b>				
Buildings	252,389	5,363	-	257,752
Improvements other than buildings	5,960,031	244,897	-	6,204,928
Equipment	1,364,821	61,517	-	1,426,338
<b>Total</b>	<b>7,577,241</b>	<b>311,777</b>	<b>-</b>	<b>7,889,018</b>
<b>Net Book Value:</b>				
Land (non-depreciable)	170,235	-	-	170,235
Buildings	99,742	(5,363)	-	94,379
Improvements other than buildings	-	(244,897)	-	3,314,780
Equipment	319,196	(33,557)	-	285,639
<b>Total</b>	<b>\$ 4,148,850</b>	<b>\$ (283,817)</b>	<b>\$ -</b>	<b>\$ 3,865,033</b>

**CITY OF BURLEY, IDAHO**

Notes to Financial Statements

September 30, 2020

	Balance 9/30/2019	Additions	Deletions	Balance 9/30/2020
<u>Water Fund</u>				
<b>Cost / Historical Value</b>				
Land (non-depreciable)	\$ 242,114	\$ -	\$ -	\$ 242,114
Buildings	687,985		-	687,985
Improvements other than buildings	15,501,884	88,500	-	15,590,384
Equipment	987,426	87,596	-	1,075,022
<b>Total</b>	<b>17,419,409</b>	<b>176,096</b>	<b>-</b>	<b>17,595,505</b>
<b>Accumulated Depreciation:</b>				
Buildings	493,404	13,824	-	507,228
Improvements other than buildings	6,722,861	415,885	-	7,138,746
Equipment	602,829	59,135	-	661,964
<b>Total</b>	<b>7,819,094</b>	<b>488,844</b>	<b>-</b>	<b>8,307,938</b>
<b>Net Book Value:</b>				
Land (non-depreciable)	242,114	-	-	242,114
Buildings	194,581	(13,824)	-	180,757
Improvements other than buildings	8,779,023	(327,385)	-	8,451,638
Equipment	384,597	28,461	-	413,058
<b>Total</b>	<b>\$ 9,600,315</b>	<b>\$ (312,748)</b>	<b>\$ -</b>	<b>\$ 9,287,567</b>

<u>Wastewater Fund</u>				
<b>Cost / Historical Value</b>				
Land (non-depreciable)	\$ 48,976	\$ -	\$ -	\$ 48,976
Buildings	1,590,416	800,571	-	2,390,987
Improvements other than buildings	46,116,566	97,199	-	46,213,765
Equipment	1,594,044	51,993	-	1,646,037
<b>Total</b>	<b>49,350,002</b>	<b>949,763</b>	<b>-</b>	<b>50,299,765</b>
<b>Accumulated Depreciation:</b>				
Buildings	575,168	44,139	-	619,307
Improvements other than buildings	13,761,132	1,035,612	-	14,796,744
Equipment	1,175,940	106,498	-	1,282,438
<b>Total</b>	<b>15,512,240</b>	<b>1,186,249</b>	<b>-</b>	<b>16,698,489</b>
<b>Net Book Value:</b>				
Land (non-depreciable)	48,976	-	-	48,976
Buildings	1,015,248	756,432	-	1,771,680
Improvements other than buildings	32,355,434	(938,413)	-	31,417,021
Equipment	418,104	(54,505)	-	363,599
<b>Total</b>	<b>\$ 33,837,762</b>	<b>\$ (236,486)</b>	<b>\$ -</b>	<b>\$ 33,601,276</b>

**CITY OF BURLEY, IDAHO**

Notes to Financial Statements

September 30, 2020

	Balance 9/30/2019	Additions	Deletions	Balance 9/30/2020
<u>Sanitation Fund</u>				
<b>Cost / Historical Value</b>				
Land (non-depreciable)	\$ 12,500	\$ -	\$ -	\$ 12,500
Buildings	-	-	-	-
Improvements other than buildings	-	-	-	-
Equipment	2,938,956	580,592	-	3,519,548
Total	2,951,456	580,592	-	3,532,048
<b>Accumulated Depreciation:</b>				
Buildings	-	-	-	-
Improvements other than buildings	-	-	-	-
Equipment	2,393,423	150,052	-	2,543,475
Total	2,393,423	150,052	-	2,543,475
<b>Net Book Value:</b>				
Land (non-depreciable)	12,500	-	-	12,500
Buildings	-	-	-	-
Improvements other than buildings	-	-	-	-
Equipment	545,533	430,540	-	976,073
Total	\$ 558,033	\$ 430,540	\$ -	\$ 988,573

<u>Golf Fund</u>				
<b>Cost / Historical Value</b>				
Land (non-depreciable)	\$ -	\$ -	\$ -	\$ -
Buildings	483,556	-	-	483,556
Improvements other than buildings	609,042	-	-	609,042
Equipment	1,014,677	-	-	1,014,677
Total	2,107,275	-	-	2,107,275
<b>Accumulated Depreciation:</b>				
Buildings	257,356	11,454	-	268,810
Improvements other than buildings	605,811	834	-	606,645
Equipment	837,321	83,043	-	920,364
Total	1,700,488	95,331	-	1,795,819
<b>Net Book Value:</b>				
Land (non-depreciable)	-	-	-	-
Buildings	226,200	(11,454)	-	214,746
Improvements other than buildings	3,231	(834)	-	2,397
Equipment	177,356	(83,043)	-	94,313
Total	\$ 406,787	\$ (95,331)	\$ -	\$ 311,456

**CITY OF BURLEY, IDAHO**

Notes to Financial Statements

September 30, 2020

Depreciation was charged to functions/programs of the governmental activities as follows:

General Government	\$ 408,594
Public Safety	57,736
Highways & Streets	266,809
Parks & Recreation	32,023
Public Works	6,339
Airport	2,504
Library	2,199
Total Governmental Activities Depreciation	<u>\$ 776,204</u>

All depreciable capital assets are being depreciated using the straight-line method over the respective estimated lives described in Note 1. The City elected to phase in reporting of existing infrastructure assets acquired between 1980 and 2003, as allowed for Phase 2 governments during the GASB 34 transition period. All infrastructure assets acquired during that time period have been reported with financial statements beginning with the year ended September 30, 2007. Infrastructure assets which had not previously been reported consist mainly of streets, curb and gutter, stop lights and street lights.

**Discretely presented component unit - Burley Development Authority**

A summary of changes in capital assets follows:

	Balance 9/30/2019	Additions	Deletions	Balance 9/30/2020
<u>Governmental Activities</u>				
<b>Cost / Historical Value</b>				
Land (non-depreciable)	\$ -	\$ 2,150,305	\$ -	\$ 2,150,305
Buildings	-	6,300,000	-	6,300,000
Improvements other than buildings	-	-	-	-
Infrastructure assets	-	-	-	-
Equipment	-	-	-	-
Total	-	8,450,305	-	8,450,305
<b>Accumulated Depreciation:</b>				
Buildings	-	183,750	-	183,750
Improvements other than buildings	-	-	-	-
Infrastructure assets	-	-	-	-
Equipment	-	-	-	-
Total	-	183,750	-	183,750
<b>Net Book Value:</b>				
Land (non-depreciable)	-	2,150,305	-	2,150,305
Buildings	-	6,116,250	-	6,116,250
Improvements other than buildings	-	-	-	-
Infrastructure assets	-	-	-	-
Equipment	-	-	-	-
Total	<u>\$ -</u>	<u>\$ 8,266,555</u>	<u>\$ -</u>	<u>\$ 8,266,555</u>

## CITY OF BURLEY, IDAHO

Notes to Financial Statements

September 30, 2020

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### NOTE 5: PENSION PLAN

Plan Description - The City contributes to the Base Plan and the Firefighter's Retirement Fund (FRF) plans which are cost-sharing multiple-employer defined benefit pension plans administered by Public Employee Retirement System of Idaho (PERSI or System). The Base Plan covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The FRF plan covers a closed group of firefighters who were hired before October 1, 1980, and who received benefits in addition to those provided under the PERSI Base Plan. The costs to administer the plans are financed through the contributions and investment earnings of the plans. Additional FRF funding is obtained from receipts from a state fire insurance premium tax. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at [www.persi.idaho.gov](http://www.persi.idaho.gov).

Responsibility for administration of the Base Plan and FRF plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members for the Base Plan and System members for the FRF Plan with at least ten years of service and three members who are Idaho citizens not members of the Base Plan or System for the FRF plan except by reason of having served on the Board.

Pension Benefits - The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

The FRF provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service as well as the final average salary. A firefighter must have 5 years of service to be eligible for a lifetime retirement allowance at age 60. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance is based on Idaho Code Title 72 Chapter 14.

The benefit payments for the FRF are calculated using a benefit formula adopted by the Idaho Legislature. The FRF cost of living increase is based on the increase in the statewide average firefighter's wage.

Member and Employer Contributions - Member and employer contributions paid to the Base Plan and FRF are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

For the Base Plan, the contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2020 it was 7.16% for general employees and 8.81% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% general employees and 12.28% for police and firefighters. The City's contributions were \$517,267 for the year ended June 30, 2020.



**CITY OF BURLEY, IDAHO**

Notes to Financial Statements

September 30, 2020

For the FRF Plan, as of June 30, 2020, the total employer rate was 25.93% which includes the employer excess rate of 13.65% plus the PERSI class 2 firefighters rate of 12.28%. The FRF member rate for the year for class B is 11.45% which is 2.64% above the class 2 rate of 8.81%. The City's contributions were \$31,410 for the year ended June 30, 2020.

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

For the Base Plan at September 30, 2020, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2020, the City's proportion was .001216614 percent.

For the FRF at September 30, 2020, the City reported a liability for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The City's proportion of the net pension asset was based on the City's share of contributions in the FRF pension plan relative to the total contributions of all participating FRF employers. At June 30, 2020, the City's proportion was .00796099 percent.

For the year ended September 30, 2020, the City recognized pension expense (revenue) of (\$489,341) for the Base Plan and \$173,186 for the FRF Plan. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<i>Base Plan</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 220,731	\$ 92,248
Changes in assumptions or other inputs	47,778	-
Net difference between projected and actual earnings on pension plan investments	323,815	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions		23,063
City contributions subsequent to the measurement date	123,439	
	<hr/>	<hr/>
Total	<u>\$ 715,763</u>	<u>\$ 115,311</u>
<i>FRF</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	49,156	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	(8,913)
City contributions subsequent to the measurement date	8,488	-
	<hr/>	<hr/>
Total	<u>\$ 57,644</u>	<u>\$ (8,913)</u>

**CITY OF BURLEY, IDAHO**

Notes to Financial Statements

September 30, 2020

For the Base Plan, \$123,439 was reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability in the year ending September 30, 2020.

For the FRF Plan, \$8,488 was reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension asset in the year ending September 30, 2020.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2019 the beginning of the measurement periods ended June 30, 2020 and June 30, 2019 is 4.8 and 4.8 years for the base plan and 1.0 and 1.0 years for the FRF Plan.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year ended Sept 30	Base Plan	FRF
2020	\$ (9,124)	\$ 14,139
2021	(119,006)	(13,514)
2022	(161,519)	(21,283)
2023	(210,427)	(28,497)

Actuarial Assumptions Base Plan - Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

For the Base Plan, the total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75%
Salary inflation	3.75%
Investment rate of return	7.05%, net of investment expenses
Cost-of-living adjustments	1%

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

Actuarial Assumptions FRF Plan - For the FRF Plan, valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. Unfunded actuarial accrued liability for FRF is the difference between the actuarial present value of the FRF benefits not provided by the Base Plan and the FRF assets. Currently FRF assets exceed this actuarial present value; therefore there is not an unfunded liability to amortize at this time. The maximum amortization period for the FRF permitted under Section 59-1394, Idaho Code, is 50 years.

## CITY OF BURLEY, IDAHO

Notes to Financial Statements

September 30, 2020

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For the FRF, The total pension asset in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	3.75
Salary inflation	3.75%
Investment rate of return	7.05%, net of investment expenses
Cost-of-living adjustments	3.75%

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

For the Base Plan, An experience study was performed for the period July 1, 2013 through June 30, 2017 which reviewed all economic and demographic assumptions including mortality. The Total Pension Liability as of June 30, 2020 is based on the results of an actuarial valuation date July 1, 2020.

An experience study was performed for the period July 1, 2011 through June 30, 2015 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The Total Pension Asset as of June 30, 2020 is based on the results of an actuarial valuation date of July 1, 2020.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2020.

## CITY OF BURLEY, IDAHO

Notes to Financial Statements  
September 30, 2020

### Capital Market Assumptions from Callan

Asset Class	Target Allocation	Long-Term Expected Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	2.80%	0.55%
Broad US Equities	55.00%	8.55%	6.30%
Developed Foreign Equities	15.00%	8.70%	6.45%
Assumed Inflation - Mean		2.25%	2.25%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.85%	4.60%
Portfolio Standard Deviation		12.33%	12.33%
Portfolio Long-Term (Geometric) Expected Rate of Return		6.25%	3.89%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.85%	3.49%

Discount Rate - The discount rate used to measure the total pension liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate - The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.05 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.05 percent) or 1-percentage-point higher (8.05 percent) than the current rate:

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of the net pension liability (asset) - Base Plan	\$ 5,793,585	\$ 2,825,139	\$ 370,717
Employer's proportionate share of the net pension liability (asset) - FRF	\$ (974,475)	\$ (1,185,385)	\$ (1,366,068)

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at [www.persi.idaho.gov](http://www.persi.idaho.gov).

Payables to the pension plan - At year end the City reported no payables to the defined benefit pension plan for legally required employer contributions and for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

**CITY OF BURLEY, IDAHO**

Notes to Financial Statements

September 30, 2020

**NOTE 6: LONG-TERM DEBT**

**Long-term debt activity for the primary government is as follows:**

Compensated absences:

Changes in compensated absences for the year are as follows:

	Beginning Balance	Increase/ (Decrease)	Ending Balance
General Fund	\$ 191,724	\$ 12,739	\$ 204,463
Library Fund	14,297	(9,736)	4,561
Electric Fund	58,209	15,877	74,086
Water Fund	32,971	14,828	47,799
Sewer Fund	38,754	6,946	45,700
Sanitation Fund	23,103	3,708	26,811
Golf Fund	18,861	5,944	24,805
<b>Totals</b>	<b>\$ 377,919</b>	<b>\$ 50,306</b>	<b>\$ 428,225</b>

Operating Leases:

The City leases equipment under noncancelable operating leases. The equipment leased is a John Deere mower. Total cost of the lease was \$8,528 for the year ended September 30, 2020. The future minimum lease payments for the lease are as follows:

Due Year Ending 9/30	Amount
2021	8,528
	<u>\$ 8,528</u>

Capital Leases and property purchases:

The City has entered into lease and purchase agreements for financing the acquisition of various pieces of equipment and property. The annual requirements to amortize each of the agreements are as follows:

General Fund

Item	Int. Rate	Due Year Ending 9/30	Principal	Interest	Total
Fire Truck	2.70%	2021	93,942	12,238	106,180
		2022	96,511	9,670	106,181
		2023	99,149	7,032	106,181
		2024	101,859	4,321	106,180
		2025	104,644	1,540	106,184
<b>Total - Fire Truck</b>			<b>\$ 496,105</b>	<b>\$ 34,801</b>	<b>\$ 530,906</b>

Item	Int. Rate	Due Year Ending 9/30	Principal	Interest	Total
Cemetery Land	2.00%	2021	11,144	4,705	15,849
		2022	11,369	4,480	15,849
		2023	11,598	4,250	15,848
		2024	11,832	4,016	15,848
		2025	12,071	3,777	15,848
		2026 - 2030	64,110	15,132	79,242
		2031 - 2035	70,846	8,395	79,241
		2036 - 2039	47,347	1,514	48,861
<b>Total - Cemetery Land</b>			<b>\$ 240,317</b>	<b>\$ 46,269</b>	<b>\$ 286,586</b>

**CITY OF BURLEY, IDAHO**

Notes to Financial Statements

September 30, 2020

Item	Int. Rate	Due Year Ending 9/30	Principal	Interest	Total
Dump Truck	2.00%	2021	20,932	227	21,159
Total - Street			\$ 20,932	\$ 227	\$ 21,159

Item	Int. Rate	Due Year Ending 9/30	Principal	Interest	Total
Loader	2.00%	2021	32,612	1,020	33,632
		2022	33,270	362	33,632
Total - Street			\$ 65,882	\$ 1,382	\$ 67,264

Item	Int. Rate	Due Year Ending 9/30	Principal	Interest	Total
Cemet. Mower	5.665%	2021	2,258	21	2,279
Total - Street			\$ 2,258	\$ 21	\$ 2,279

Total General Fund			\$ 825,494	\$ 82,700	\$ 908,194
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Golf Fund

Item	Int. Rate	Due Year Ending 9/30	Principal	Interest	Total
Golf Carts	2.00%	2021	20,113	151	20,264
Total - Mowers			\$ 20,113	\$ 151	\$ 20,264

Total Golf Fund			\$ 20,113	\$ 151	\$ 20,264
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Revenue Refunding Bonds - Series 2012B:

The City issued revenue refunding bonds on June 21, 2012 in the amount of \$2,645,000, including an amortizable premium of \$413,925, and bearing a coupon rate varying from 3% to 5%. These revenue refunding bonds replaced the Series 2003 General Obligation Bonds, which were refunded. The annual requirements to amortize the bonds are as follows:

Year Ending Sept. 30	Principal	Interest	Total
2021	285,000	44,750	329,750
2022	300,000	30,500	330,500
2023	310,000	15,500	325,500
Totals	\$ 895,000	\$ 90,750	\$ 985,750

Water Revenue Refunding Bonds, Series 2012:

The City issued water revenue refunding bonds on December 20, 2012 in the amount of \$1,870,000, including an amortizable premium of \$330,049, and bearing a coupon rate varying from 2% to 5%. These revenue refunding bonds replaced the State of Idaho DEQ Revolving Water Loan on Well #7, which was paid off. The amortizable premium will be amortized over the life of the bonds as a reduction to interest expense. The annual requirements to amortize the bonds are as follows:

**CITY OF BURLEY, IDAHO**

Notes to Financial Statements

September 30, 2020

Year Ending Sept. 30	Principal	Interest	Total
2021	105,000	51,750	156,750
2022	110,000	47,550	157,550
2023	110,000	44,250	154,250
2024	120,000	38,750	158,750
2025	125,000	32,750	157,750
2026 - 2029	560,000	65,750	625,750
Totals	<u>\$ 1,130,000</u>	<u>\$ 280,800</u>	<u>\$ 1,410,800</u>

Sewer Revenue Refunding Bonds, Series 2012

The City issued sewer revenue refunding bonds on December 20, 2012 in the amount of \$16,380,000, including an amortizable premium of \$2,617,009, and bearing a coupon rate varying from 2% to 5%. These revenue refunding bonds replaced the State of Idaho DEQ Revolving Wastewater Loan, which was paid off and resulted in the issuance of \$4,125,000 of new debt. The amortizable premium will be amortized over the life of the bonds as a reduction to interest expense. The annual requirements to amortize the bonds are as follows:

Year Ending Sept. 30	Principal	Interest	Total
2021	780,000	470,350	1,250,350
2022	810,000	439,150	1,249,150
2023	835,000	414,850	1,249,850
2024	880,000	373,100	1,253,100
2025	920,000	329,100	1,249,100
2026 - 2030	4,655,000	948,650	5,603,650
2031 - 2032	1,975,000	89,250	2,064,250
Totals	<u>\$ 10,855,000</u>	<u>\$ 3,064,450</u>	<u>\$ 13,919,450</u>

A summary of changes in long-term debt is as follows:

	Balance at 9/30/2019	Additions	Reductions	Balance at 9/30/2020
Compensated Absences	\$ 377,919	\$ 50,306	\$ -	\$ 428,225
General Fund	981,065	-	(155,571)	825,494
Capital Leases - Golf Fund	49,786	-	(29,673)	20,113
General Oblig. Bonds-S2012B	1,170,000	-	(275,000)	895,000
Water Rev. Refunding S2012	1,230,000	-	(100,000)	1,130,000
Sewer Rev. Refunding S2012	11,605,000	-	(750,000)	10,855,000
Totals	<u>\$ 15,413,770</u>	<u>\$ 50,306</u>	<u>\$ (1,310,244)</u>	<u>\$ 14,153,832</u>

**CITY OF BURLEY, IDAHO**

Notes to Financial Statements

September 30, 2020

Information on other debt (Local Improvement Districts):

The city has assisted in the creation of LIDs (Local Improvement Districts) for street improvements for Stevens Place LID #1, North Burley LID #2, & Burley Sidewalk LID's #3 & #4 located within the City. The assessments to home owners and the bond payments on the bonds issued for the cost of these improvements are being handled by the City acting as an agent for the LID. The City is not liable for payments or potential defaults on the bonds. The amount of debt is \$109,496 for LID #2 which was loaned by the Electric Fund and \$45,984 from DL Evans Bank for LID #3.

The City has also assisted in the creation of additional LIDs for infrastructure projects on commercial developments in West Burley which guarantee debt owed by the Burley Development Authority. No debt has been issued by these LIDs.

**Long-term debt activity for the component unit is as follows:**

The Burley Development Authority (BDA) has issued 4 bonds as detailed below:

**BDA Urban Renewal Bond - 2007:**

The Burley Development Authority issued an urban renewal bond on June 22, 2007 in the amount of \$1,185,410, bearing an interest rate of 5.5%. The bond proceeds were used to pay for infrastructure improvements in the North Burley urban renewal area and will be repaid by the incremental tax increases of new taxable property within the urban renewal area. The annual payments to amortize the bond are as follows:

Year Ending Sept. 30	Principal	Interest	Total
2021	110,801	12,813	123,614
2022	116,895	6,718	123,613
2023	1,346	289	1,635
<b>Totals</b>	<b>\$ 229,042</b>	<b>\$ 19,820</b>	<b>\$ 248,862</b>

**BDA Urban Renewal Bond - Series 2008A**

The Burley Development Authority issued an urban renewal bond on March 1, 2009 in the amount of \$3,700,000, bearing an interest rate of 6%. The bond was issued to DOT Foods, Inc. as a cost reimbursement and construction incentive for locating within the urban renewal area and will be repaid by the incremental tax increases of new taxable property within the urban renewal area. The annual payments to amortize the bond are as follows:

Year Ending Sept. 30	Principal	Interest	Total
2021	\$ 49,702	\$ 189,951	239,653
2022	52,728	186,924	239,652
2023	55,939	183,713	239,652
2024	59,346	180,306	239,652
2025	92,960	176,692	269,652
2026 - 2030	377,202	821,057	1,198,259
2031 - 2035	506,927	691,331	1,198,258
2036 - 2037	2,059,248	230,681	2,289,929
<b>Totals</b>	<b>\$ 3,254,052</b>	<b>\$ 2,660,655</b>	<b>\$ 5,914,707</b>



## CITY OF BURLEY, IDAHO

Notes to Financial Statements

September 30, 2020

### BDA Revenue Allocation Refunding Bond - Series 2013

The Burley Development Authority issued an urban renewal bond on October 16, 2013 in the amount of \$5,516,000, bearing an interest rate of 5.75%. The bond proceeds were used to refund its Series 2009A revenue bonds originally issued June 16, 2009 in the amount of \$2,997,000 bearing an interest rate of 8.50% and its 2009B revenue bonds originally issued June 16, 2009, in the amount of \$3,639,000 bearing an interest rate of 8.5%. The original bond proceeds were used to pay for infrastructure improvements in the urban renewal area west of Burley and will be repaid by the incremental tax increases of new taxable property within the urban renewal area. The annual payments to amortize the bond are as follows:

Year Ending Sept. 30	Principal	Interest	Total
2021	\$ 537,739	\$ 148,706	686,445
2022	569,546	116,899	686,445
2023	603,234	83,212	686,446
2024	638,809	47,637	686,446
2025	331,869	9,747	341,616
Totals	<u>\$ 2,681,197</u>	<u>\$ 406,201</u>	<u>\$ 3,087,398</u>

### BDA Urban Renewal Bond - Series 2019

The Burley Development Authority issued an urban renewal bond on April 11, 2019 in the amount of \$15,584,694, bearing an interest rate of 3.206%. The bond was issued to McCain Foods as a cost reimbursement and construction incentive for expansion of a processing plant within the urban renewal area and will be repaid by the incremental tax increases of new taxable property within the urban renewal area. The annual payments to amortize the bond are as follows:

Year Ending Sept. 30	Principal	Interest	Total
2021	\$ 923,637	\$ 460,773	\$ 1,384,410
2022	956,011	430,904	1,386,915
2023	985,981	400,016	1,385,997
2024	985,976	368,406	1,354,382
2025	983,408	336,819	1,320,227
2026 - 2030	4,704,382	1,218,250	5,922,632
2031 - 2035	3,607,733	533,679	4,141,412
2036 - 2038	1,454,159	78,390	1,532,549
Totals	<u>\$ 14,601,287</u>	<u>\$ 3,827,237</u>	<u>\$ 18,428,524</u>

### BDA Urban Renewal Bond - Series 2020

The Burley Development Authority issued an urban renewal bond on March 4, 2020 in the amount of \$5,824,575, bearing an interest rate of 3.4%. The bond was issued to purchase a warehouse and land within the urban renewal area. The warehouse is being leased pursuant to a long-term lease signed with High Desert Milk, Inc. The bonds will be repaid with the lease payments made to the Agency from High Desert Milk. The annual payments to amortize the bond are as follows:

**CITY OF BURLEY, IDAHO**

Notes to Financial Statements

September 30, 2020

Year Ending Sept. 30	Principal	Interest	Total
2021	\$ 209,807	\$ 194,186	\$ 403,993
2022	217,154	186,839	403,993
2023	224,760	179,233	403,993
2024	232,182	171,811	403,993
2025	240,862	163,131	403,993
2026 - 2030	1,335,938	684,027	2,019,965
2031 - 2035	1,586,955	433,010	2,019,965
2036 - 2038	1,681,494	136,299	1,817,793
Totals	<u>\$ 5,729,152</u>	<u>\$ 2,148,536</u>	<u>\$ 7,877,688</u>

A summary of changes in BDA long-term debt is as follows:

	Balance at <u>9/30/2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance at <u>9/30/2019</u>
Urban Renewal Bond 2007	\$ 334,080	\$ -	\$ (105,038)	\$ 229,042
Urban Renewal Bond 2008A	3,224,052	-	-	3,224,052
Urban Renewal Bond 2013	3,188,689	-	(507,492)	2,681,197
Urban Renewal Bond 2019	15,490,286	-	(888,999)	14,601,287
Urban Renewal Bond 2020	-	5,824,575	(95,423)	5,729,152
Totals	<u>\$ 22,237,107</u>	<u>\$ 5,824,575</u>	<u>\$ (1,596,952)</u>	<u>\$ 26,464,730</u>

**NOTE 7: RISK MANAGEMENT/INSURANCE COVERAGE**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has transferred most of its risk by purchasing commercial insurance.

Workman's Compensation insurance is purchased through the Idaho State Insurance Fund.

Airport owners and operators general liability insurance is purchased through Old Republic Insurance Company. All other insurance has been purchased through the Idaho Counties Risk Management Program (ICRMP). The current year policy expires October 1, 2020, and has been renewed with ICRMP. The policy coverage's include: property, inland marine, crime, general liability, automobile liability and public officials.

**NOTE 8: LITIGATION AND CONTINGENT LIABILITIES**

The City is not currently involved in any litigation and is not aware of any pending or threatened litigation against the City other than is being handled by the City's insurer. The City does receive various tort claims which are forwarded on to the City's insurance carrier. There are no known material claims outstanding.

**NOTE 9: PROPERTY TAXES - DEFERRED REVENUE**

Property taxes are levied by the 2nd Monday in September, in conformity with Title 31, Section 1605, of the Idaho State Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before December 20 and June 20 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period and those expected to be collected during a 60 day period after the close of the fiscal year.

The deferred revenue account in the General Fund represents the taxes receivable after 60 days of the year

**CITY OF BURLEY, IDAHO**

Notes to Financial Statements

September 30, 2020

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**NOTE 10: STATEMENT OF CASH FLOWS**

For purposes of the statement of cash flows, the Enterprise Funds consider all checking and certificates of deposit with maturity dates within 90 days to be cash equivalents.

Required supplemental information for the statement of cash flows: Cash paid for interest during the year: \$635,013

**NOTE 11: INTERFUND RECEIVABLES, PAYABLES & TRANSFERS**

Interfund balances consist of individual fund receivables and payables which are presented in the financial statements as negative cash balances (pooled cash). Amounts due to and due from other funds do not include loans formalized by a note and specific repayment terms. These notes between funds are disclosed in Note 6 above. There were no interfund balances to report as of year end. As of September 30, 2020 the Fleet Fuel Internal Service Fund had a negative pooled cash balance of \$350,848 and negative net position of \$351,420. This was due to the initial investment in the fueling station for the City. These negative balances will be eliminated over time as the various funds pay back the initial investment in the fueling station.

The following transfers were made during the year:

<u>From:</u>	<u>To:</u>	<u>Amount:</u>	<u>Purpose:</u>
General Fund	Golf Fund	\$ 87,104	Operating transfer
General Fund	Library Fund	\$ 13,000	Operating transfer

**NOTE 12: COMPONENT UNIT - BURLEY DEVELOPMENT AUTHORITY**

Burley Development Authority (BDA) is an urban renewal agency created by and existing under the Local Development Act, Chapter 29, Title 50 of the Idaho Code, and is an independent public body. As explained in note 1, the BDA was determined to be a component unit of the City of Burley. As provided by the Idaho Code, the BDA uses tax revenue allocation financing to: encourage private development in the urban renewal area, prevent and arrest decay of the urban renewal area, encourage taxing districts to cooperate in the allocation of future tax revenues to facilitate the long-term growth of their common tax bases and other public purposes.

The accounting and reporting policies of the BDA are consistent with the City of Burley as explained earlier in these financial statements. Required disclosures relating to fixed assets and long-term debt are included within these financial statements as previously noted. The BDA has issued a separate audited financial statement for the year ended September 30, 2020. A copy of these financial statements may be obtained by contacting the city administrator for the City of Burley.

**NOTE 13: SUBSEQUENT EVENTS**

Subsequent events were evaluated through the audit report date, February 12, 2021, which is the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTAL INFORMATION**

**CITY OF BURLEY**

**SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY  
For the Year Ended September 30, 2020**

Schedule of Employer's Share of Net Pension Liability  
PERSI - Base Plan  
Last 10 Fiscal Years \*

	2015	2016	2017	2018	2019	2020
City's portion of the net pension liability	0.1142279%	0.1106128%	0.1264952%	0.1240928%	0.1232296%	0.1216614%
City's proportionate share of the net pension liability	\$ 1,504,195	\$ 2,242,292	\$ 1,988,287	\$ 1,830,390	\$ 1,406,631	\$ 2,825,139
City's covered-employee payroll	\$ 3,368,857	\$ 3,623,740	\$ 3,880,874	\$ 4,059,172	\$ 4,063,336	\$ 4,367,956
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	44.65%	61.88%	51.23%	45.09%	34.62%	64.68%
Plan fiduciary net position as a percentage of the total pension liability	91.38%	87.26%	90.68%	91.69%	93.79%	88.22%

Schedule of Employer's Share of Net Pension Liability  
PERSI - FRF  
Last 10 Fiscal Years \*

	2015	2016	2017	2018	2019	2020
City's portion of the net pension asset	0.7575796%	0.7921922%	0.8384520%	0.7966319%	0.8027421%	0.7960990%
City's proportionate share of the net pension asset	\$ 409,174	\$ 425,791	\$ 719,355	\$ 901,550	\$ 1,153,971	\$ 1,185,385
City's covered-employee payroll	\$ 575,185	\$ 625,098	\$ 599,801	\$ 670,720	\$ 644,019	\$ 644,019
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	71.14%	68.12%	119.93%	134.42%	179.18%	184.06%
Plan fiduciary net position as a percentage of the total pension liability	118.08%	118.42%	129.65%	140.15%	152.74%	155.55%

Data reported is measured as of June 30 (measurement date)

*\*GASB Statement No. 68 requires ten years of information to be presented in this table however, until a full 10-year trend is compiled, the City will present information for years which information is available.*

**CITY OF BURLEY**

**SCHEDULE OF EMPLOYER'S CONTRIBUTIONS  
For the Year Ended September 30, 2020**

Schedule of Employer Contributions  
PERSI - Base Plan  
Last 10 Fiscal Years \*

	2015	2016	2017	2018	2019	2020
Statutorily required contribution	\$ 373,642	\$ 410,207	\$ 444,746	\$ 481,774	\$ 473,785	\$ 517,267
Contributions in relation to the statutorily required contribution	\$ 380,481	\$ 410,448	\$ 444,746	\$ 481,774	\$ 473,785	\$ 517,267
Contribution (deficiency) excess	6,839	241	-	-	-	-
Employer's covered-employee payroll	\$ 3,368,857	\$ 3,623,740	\$ 3,880,874	\$ 4,059,172	\$ 4,063,336	\$ 4,367,956
Contributions as a percentage of covered-employee payroll	11.29%	11.33%	11.46%	11.87%	11.66%	11.84%

Schedule of Employer Contributions  
PERSI - FRF  
Last 10 Fiscal Years \*

	2015	2016	2017	2018	2019	2020
Statutorily required contribution	\$ 26,998	\$ 27,082	\$ 30,608	\$ 29,821	\$ 31,523	\$ 31,410
Contributions in relation to the statutorily required contribution	\$ 26,998	\$ 27,082	\$ 30,608	\$ 29,821	\$ 31,523	\$ 31,410
Contribution (deficiency) excess	-	-	-	-	-	-
Employer's covered-employee payroll	\$ 575,185	\$ 625,098	\$ 599,801	\$ 670,720	\$ 644,019	\$ 653,564
Contributions as a percentage of covered-employee payroll	4.69%	4.33%	5.10%	4.45%	4.89%	4.81%

Data reported is measured as of September 30.

*\*GASB Statement No. 68 requires ten years of information to be presented in this table however, until a full 10-year trend is compiled, the City will present information for years which information is available.*

**CITY OF BURLEY, IDAHO**

Combining Statement of Net Position  
Internal Service Funds  
September 30, 2020

	Internal Service Funds					Total Internal Service Funds
	Health Insurance	Liability Insurance	Workman's Comp. Ins.	Automation & Communication	Fleet Fuel Service	
<b>ASSETS</b>						
Cash & Investments	\$ 1,210,657	\$ 195,578	\$ 203,594	\$ 105,489	\$ (350,848)	\$ 1,364,470
Receivables (Net of Allowances):						
Claims	-	-	-	-	-	-
Prepaid Expenses	-	79,694	-	-	-	79,694
Due from other fund	-	-	-	-	-	-
Capital Assets:						
Land	-	-	-	-	-	-
Other Capital Assets, Net of Depreciation	-	-	-	-	-	-
<b>Total assets</b>	<b>1,210,657</b>	<b>275,272</b>	<b>203,594</b>	<b>105,489</b>	<b>(350,848)</b>	<b>1,444,164</b>
<b>LIABILITIES</b>						
Accounts Payable and Accrued Expenses	840	439	-	12,419	572	14,270
Customer Deposits Payable	-	-	-	-	-	-
Interest Payable	-	-	-	-	-	-
Due to other fund	-	-	-	-	-	-
Long-Term Liabilities:						
Due Within One Year	-	-	-	-	-	-
Due in More Than One Year	-	-	-	-	-	-
<b>Total liabilities</b>	<b>840</b>	<b>439</b>	<b>-</b>	<b>12,419</b>	<b>572</b>	<b>14,270</b>
<b>NET POSITION</b>						
Net Investment in Capital Assets	-	-	-	-	-	-
Restricted for:						
Capital projects	-	-	-	-	-	-
Unrestricted	1,209,817	274,833	203,594	93,070	(351,420)	1,429,894
<b>Total Net Position</b>	<b>\$ 1,209,817</b>	<b>\$ 274,833</b>	<b>\$ 203,594</b>	<b>\$ 93,070</b>	<b>\$ (351,420)</b>	<b>\$ 1,429,894</b>

See accompanying notes to the financial statements.

**CITY OF BURLEY, IDAHO**

Combining Statement of Revenues, Expenses and  
Changes in Fund Net Position  
Internal Service Funds  
Year Ended September 30, 2020

	Internal Service Funds					Total Internal Service Funds
	Health Insurance	Liability Insurance	Workman's Comp. Ins.	Automation & Communication	Fleet Fuel Service	
Operating revenues:						
Insurance charges to other funds	\$ 1,722,794	\$ 179,692	\$ 133,615	\$ -	\$ -	\$ 2,036,101
Technology charges to other funds	-	-	-	137,270	-	137,270
Premium dividend (refunds)	-	-	4,079	-	-	4,079
Internal Fuel Charges	-	-	-	-	28,189	28,189
Miscellaneous revenue	3,907	-	-	-	-	3,907
<b>Total operating revenues</b>	<b>1,726,701</b>	<b>179,692</b>	<b>137,694</b>	<b>137,270</b>	<b>28,189</b>	<b>2,209,546</b>
Operating expenses:						
Administrative services	-	-	-	62,550	-	62,550
Claims and premium costs	1,249,301	150,572	133,363	-	-	1,533,236
Other Insurance premiums	3,366	-	-	-	-	3,366
Wellness benefit program	16,670	-	-	-	-	16,670
Internet service	-	-	-	40,714	-	40,714
Construction expenses	-	-	-	-	379,609	379,609
Other expenses	-	4,139	-	1,094	-	5,233
<b>Total operating expenses</b>	<b>1,269,337</b>	<b>154,711</b>	<b>133,363</b>	<b>104,358</b>	<b>379,609</b>	<b>2,041,378</b>
<b>Operating income (loss)</b>	<b>457,364</b>	<b>24,981</b>	<b>4,331</b>	<b>32,912</b>	<b>(351,420)</b>	<b>168,168</b>
Non-operating revenues (expenses)						
Grant revenue	-	-	-	-	-	-
Grant (expense)	-	-	-	-	-	-
Gain (Loss) on sale of equipment	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Interest (expense)	-	-	-	-	-	-
<b>Total non-operating revenues (expenses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income/(Loss) before contributions and transfers</b>	<b>457,364</b>	<b>24,981</b>	<b>4,331</b>	<b>32,912</b>	<b>(351,420)</b>	<b>168,168</b>
Capital Contributions	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
<b>Change in Net Position</b>	<b>457,364</b>	<b>24,981</b>	<b>4,331</b>	<b>32,912</b>	<b>(351,420)</b>	<b>168,168</b>
<b>Net Position Beginning of Year</b>	<b>752,453</b>	<b>249,852</b>	<b>199,263</b>	<b>60,158</b>	<b>-</b>	<b>1,261,726</b>
<b>Net Position End of Year</b>	<b>\$ 1,209,817</b>	<b>\$ 274,833</b>	<b>\$ 203,594</b>	<b>\$ 93,070</b>	<b>\$ (351,420)</b>	<b>\$ 1,429,894</b>

See accompanying notes to the financial statements.



**CITY OF BURLEY, IDAHO**

Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended September 30, 2020

	Internal Service Funds					Total Internal Service Funds
	Health Insurance	Liability Insurance	Workman's Comp. Ins.	Automation & Communication	Fleet Fuel Services	
Cash flows provided by operating activities:						
Receipts from customers and users	\$ 1,726,701	\$ 179,692	\$ 137,694	\$ 137,270	\$ 28,189	\$ 2,209,546
Payments to suppliers	(1,268,497)	(233,966)	(133,363)	(96,823)	(379,037)	(2,111,686)
Payments to employees	-	-	-	-	-	-
Payments for interfund services used	-	-	-	-	-	-
Other receipts/(payments)	-	-	-	-	-	-
Net cash provided (used) by operating activities	458,204	(54,274)	4,331	40,447	(350,848)	97,860
Cash flows from noncapital and related financing activities:						
Transfers to other funds	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	-
Net cash provided (used) by noncapital and related financing activities	-	-	-	-	-	-
Cash flows from capital and related financing activities:						
Principal and interest paid on long-term debt	-	-	-	-	-	-
Disposal of capital assets	-	-	-	-	-	-
Acquisition of capital assets	-	-	-	-	-	-
Net cash used by capital and related financing activities	-	-	-	-	-	-
Cash flows from investing activities:						
Principal received on loan to other fund	-	-	-	-	-	-
Interest received on Investments	-	-	-	-	-	-
Net cash provided by investing activities	-	-	-	-	-	-
Net increase (decrease) in cash	458,204	(54,274)	4,331	40,447	(350,848)	97,860
Cash at beginning of year	752,453	249,852	199,263	65,042	-	1,266,610
Cash at end of year	\$ 1,210,657	\$ 195,578	\$ 203,594	\$ 105,489	\$ (350,848)	\$ 1,364,470
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
Operating income (loss)	\$ 457,364	\$ 24,981	\$ 4,331	\$ 32,912	\$ (351,420)	\$ 168,168
Depreciation & amortization	-	-	-	-	-	-
(Increase) decrease in accounts receivable	-	-	-	-	-	-
(Increase) decrease in prepaid expenses	-	(79,694)	-	-	-	(79,694)
Increase (decrease) in accounts payable	840	439	-	7,535	572	9,386
Net cash provided (used) by operating activities	\$ 458,204	\$ (54,274)	\$ 4,331	\$ 40,447	\$ (350,848)	\$ 97,860

See accompanying notes to the financial statements.

# **Poulsen VanLeuven & Catmull PA**

**Certified Public Accountants**

Members of the American Institute of CPA's  
and the Idaho Society of CPA's

**Jeffrey D. Poulsen, CPA**  
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**Jacob H. Catmull, CPA**

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Mayor and City Council  
City of Burley, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the discretely presented component unit of the City of Burley, Idaho (the "City") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 12, 2021.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Burley's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Poulsen VanLeuven & Catmull*

Poulsen VanLeuven & Catmull PA  
February 12, 2021