

**CITY OF BURLINGTON
BURLINGTON, COLORADO**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2021**

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FINANCIAL SECTION

CITY OF BURLINGTON, COLORADO
Management Discussion and Analysis
For the Year Ended December 31, 2021

This discussion and analysis of the financial performance of the City of Burlington, Colorado (City) provides an overview of the City's financial activities for the fiscal year ended December 31, 2021. Please read it in conjunction with the financial statements.

Financial Highlights

- The City's Net Position increased by \$1,571,493 (5.8%) during 2021.
- The City's assets exceeded its liabilities and deferred inflows of financial resources at December 31, 2021 by \$28,862,167 (Net Position).
- At December 31, 2021, the City's governmental funds reported combined ending fund balances of \$1,694,579. This marked an increase of \$659,112 (63.7%) over the prior year.
- The aggregate Net Position of the City's business-type funds increased by \$827,267 (3.8%) during 2021.
- The City spent \$1,099,508 on capital asset equipment and improvements during 2021.

Using This Annual Report

This Discussion and Analysis report is intended to serve as an introduction to the City's basic financial statements. The basic financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

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

The *Statement of Net Position* presents information on all the City's assets and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as useful indicators of whether the financial position of the City is improving or deteriorating.

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

Both government-wide financial statements distinguish functions of the City of Burlington that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the City include police, public works, library, economic development, parks, administration, activities and recreation. Sales and property taxes finance the majority of these services. The business-type activities of the City include electric, water and sewer, solid waste, and airport operations.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City of Burlington, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City can be divided into two categories: Governmental Funds and Proprietary Funds.

Governmental Funds -- Most of the City's basic services are reported in governmental funds that focus on how money flows into and out of those funds. The unrestricted balances left at year-end are available for spending in future years. These funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide detailed short-term views of cash, operations, and basic services provided. Governmental fund statements show the reader whether there are more or fewer financial resources available at the end of a fiscal year that can be spent in the near future to finance government programs and objectives.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund *Balance Sheet* and the *Statement of Revenues, Expenditures and Changes in Fund Balance--Governmental Funds* are followed by reconciliations to facilitate this comparison between governmental funds and governmental activities.

The City maintains three individual governmental funds. Information for these funds is presented by fund name in the governmental funds' *Balance Sheet* and *Statement of Revenues, Expenditures, and Changes in Fund Balance*.

Proprietary Funds -- The City's utility services and airport are reported in proprietary funds; they focus on overall economic position rather than year-end fund balances. Enterprise funds are the type of proprietary funds used to account for the City's Electric Fund, Water & Sewer Fund, Solid Waste Fund, and Airport Fund. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements, only in a bit more detail.

Notes to Financial Statements

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

Other Information

Budgetary comparison statements or schedules for all funds with budgeted expenditures/expenses are included following the "Notes to Financial Statements" to demonstrate each fund's compliance with adopted budgets and appropriations.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Burlington, assets exceeded liabilities by \$28,862,167 at the close of 2021.

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 2,345,135	\$ 1,566,011	\$ 9,576,409	\$ 8,681,740	\$ 11,921,544	\$ 10,247,751
Capital assets, net	4,758,501	4,599,339	18,388,665	18,529,136	23,147,166	23,128,475
Total assets	\$ 7,103,636	\$ 6,165,350	\$ 27,965,074	\$ 27,210,876	\$ 35,068,710	\$ 33,376,226
Deferred outflows of resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current liabilities	\$ 232,814	\$ 134,789	\$ 442,487	\$ 407,764	\$ 675,301	\$ 542,553
Noncurrent Liabilities	74,048	-	5,039,452	5,147,244	5,113,500	5,147,244
Total liabilities	\$ 306,862	\$ 134,789	\$ 5,481,939	\$ 5,555,008	\$ 5,788,801	\$ 5,689,797
Deferred inflows of resources	\$ 417,742	\$ 395,755	\$ -	\$ -	\$ 417,742	\$ 395,755
Net position:						
Net investment in capital assets	\$ 4,684,453	\$ 4,599,339	\$ 13,378,164	\$ 13,405,480	\$ 18,062,617	\$ 18,004,819
Restricted	409,552	397,698	797,023	648,193	1,206,575	1,045,891
Unrestricted	1,285,027	637,769	8,307,948	7,602,195	9,592,975	8,239,964
Total net position	\$ 6,379,032	\$ 5,634,806	\$ 22,483,135	\$ 21,655,868	\$ 28,862,167	\$ 27,290,674

The City's investment in capital assets (e.g. land, buildings and improvements, infrastructure, and vehicles & equipment) represent 62.6% of the City's total net position at December 31, 2021. The city uses these capital assets to provide services; consequently, these assets are not available for future spending.

Approximately 4.2% (\$1,206,575) of the City's total net position at the end of 2021 represented resources that are subject to external restrictions on how they may be used. They are primarily fund balance reserves for future parks, recreation, and library purposes, for water bond debt service reserves, and for emergencies. The remaining \$9,592,975 of the City's total net position at the end of 2021 represents 33.2% of total net position and may be used to meet the City's other ongoing obligations to residents, businesses, and creditors.

The following chart displays the changes in net position experienced by the City over the last two fiscal years. An analysis of these changes follows for both its Governmental and Business-type Activities.

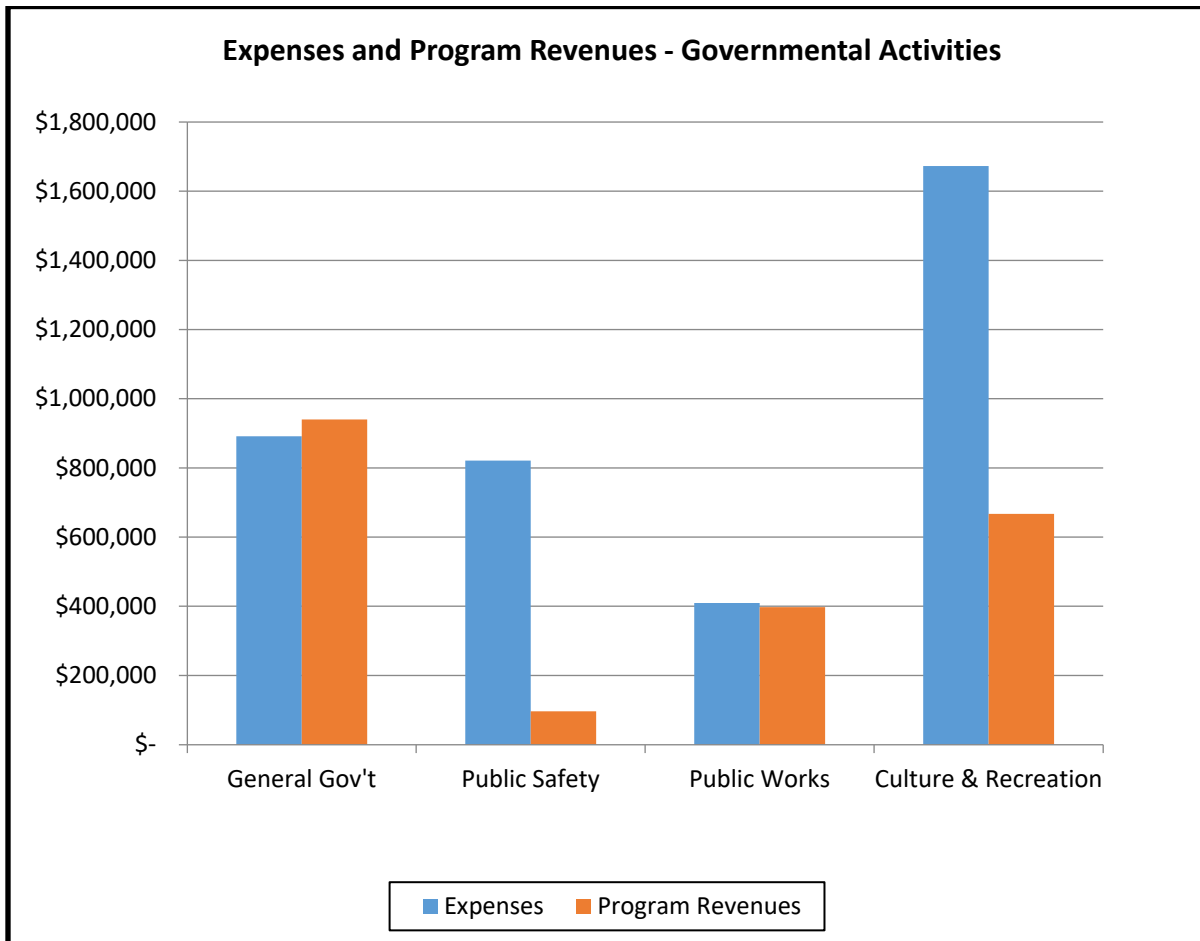
CONDENSED STATEMENT OF ACTIVITIES

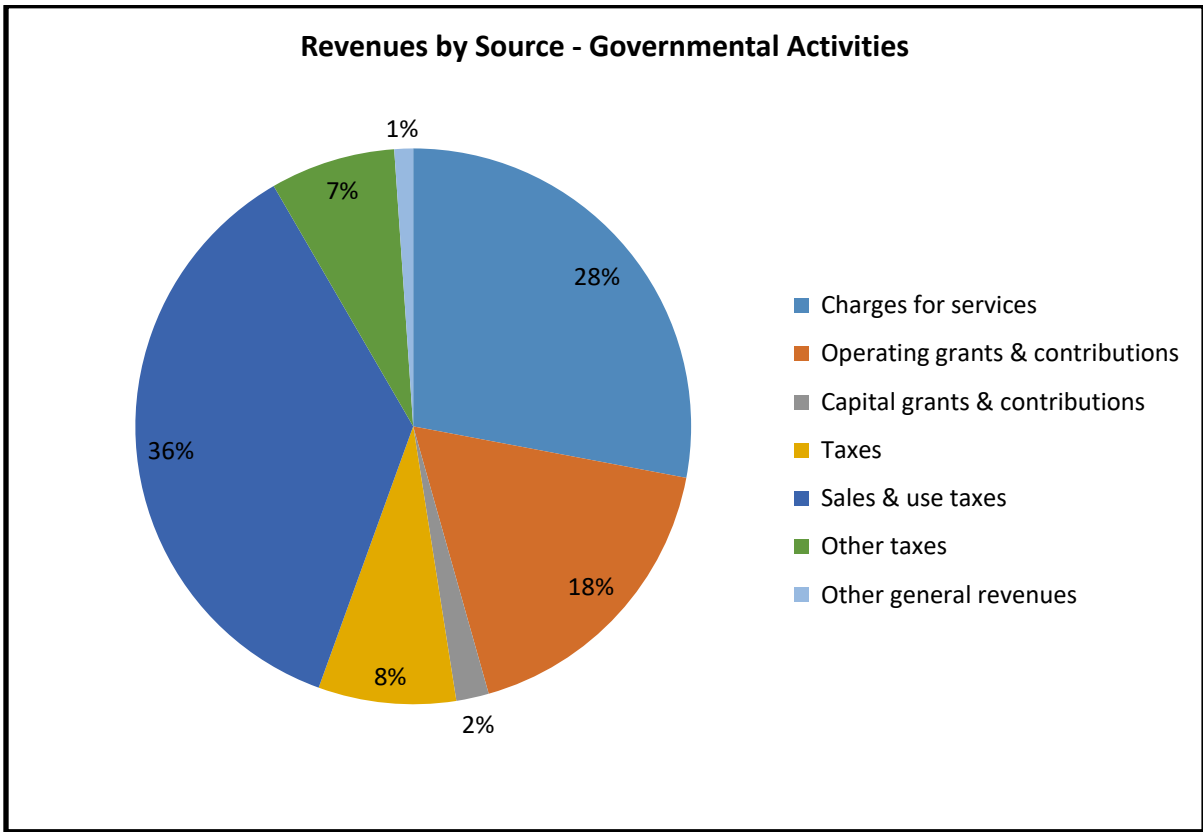
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Program revenues:						
Charges for services	\$ 1,262,829	\$ 1,104,377	\$ 7,565,261	\$ 7,099,752	\$ 8,828,090	\$ 8,204,129
Operating grants & contributions	752,426	410,102	89,451	38	841,877	410,140
Capital grants & contributions	85,766	170,161	235,363	961,585	321,129	1,131,746
General revenues:						
Property taxes	361,710	361,065	-	-	361,710	361,065
Sales & use taxes	1,629,861	1,528,535	-	-	1,629,861	1,528,535
Other taxes	328,828	304,705	-	-	328,828	304,705
Gain (loss) on sale of capital assets	-	2,420	-	-	-	2,420
Other general revenues	49,380	35,116	28,128	17,295	77,508	52,411
Total revenues	\$ 4,470,800	\$ 3,916,481	\$ 7,918,203	\$ 8,078,670	\$12,389,003	\$11,995,151
Program expenses:						
General government	\$ 891,614	\$ 936,243	\$ -	\$ -	\$ 891,614	\$ 936,243
Public safety	821,163	692,876	-	-	821,163	692,876
Public works	409,264	400,672	-	-	409,264	400,672
Parks and Recreation	1,672,596	1,521,643	-	-	1,672,596	1,521,643
Electric utility	-	-	4,345,837	3,699,731	4,345,837	3,699,731
Water and Sewer utility	-	-	1,347,040	1,318,469	1,347,040	1,318,469
Solid waste utility	-	-	552,817	538,610	552,817	538,610
Airport	-	-	777,179	630,507	777,179	630,507
Noncapitalized capital outlay	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-
Total expenses	\$ 3,794,637	\$ 3,551,434	\$ 7,022,873	\$ 6,187,317	\$10,817,510	\$ 9,738,751
Transfers In/(Out)	\$ 68,063	\$ 80,000	\$ (68,063)	\$ (80,000)	\$ -	\$ -
Increase/(decrease)in net position	\$ 744,226	\$ 445,047	\$ 827,267	\$ 1,811,353	\$ 1,571,493	\$ 2,256,400
Net Position, Beginning	5,634,806	5,189,759	21,655,868	19,844,515	27,290,674	25,034,274
Net Position, Ending	\$ 6,379,032	\$ 5,634,806	\$22,483,135	\$21,655,868	\$28,862,167	\$27,290,674

The Governmental Activities' revenues outpaced expenses by \$676,163 (17.8%) in 2021. This was an improvement over 2020 when revenues outpaced expenses by \$365,047 (10.3%). The overall improvement resulted from gains in some operations and losses in others, including the following changes:

- Sales & use taxes increased by \$101,326 in 2021 primarily due to residents and businesses continuing to use on-line ordering as they had done during the state-imposed economic lock-down in 2020 associated with the Coronavirus epidemic.
- Charges for services including those charged to the utility funds increased by \$158,452 in 2021.
- Expenses for public safety increased by \$128,287 in 2021 primarily due to the filling of vacant positions in the Police Department.
- Old Town operating expenses of \$526,617 exceeded operating revenues and donations of \$343,468 by \$183,149 (53.3%).
- The Electric Fund, Water & Sewer Fund, and Solid Waste Fund collectively transferred \$68,063 to the Tourism Promotion Fund.

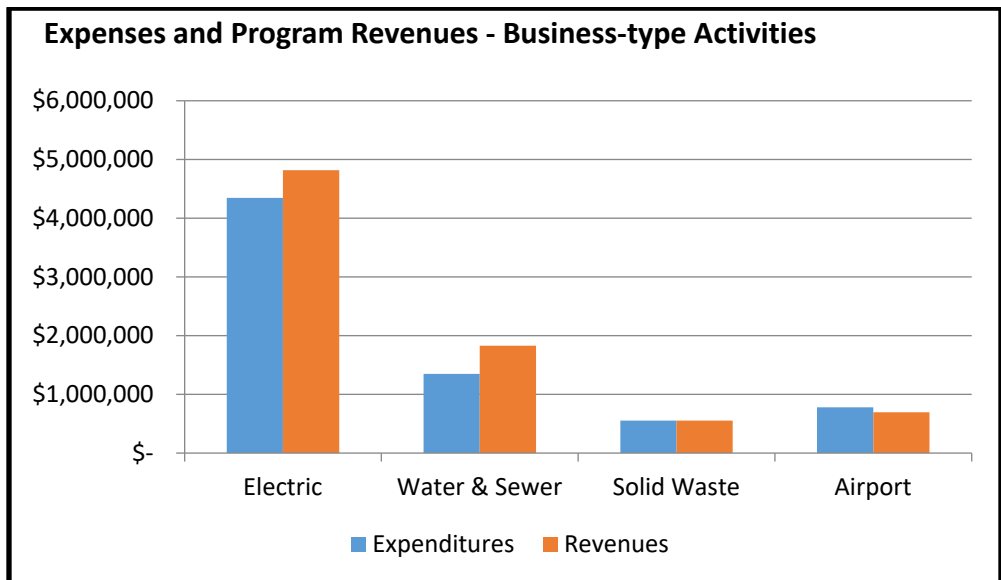
The following two charts illustrate the Governmental Activities revenues and expenses. As in most municipalities, the expenses of governmental activities are not fully supported through program revenues but are largely financed through taxes.

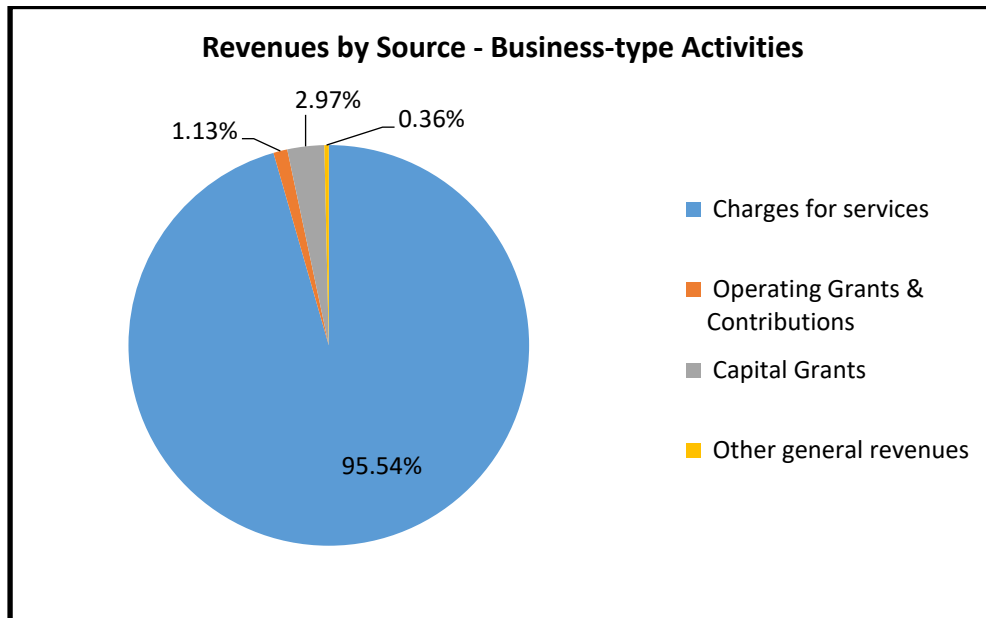




Business-type activities increased the City’s total net position by \$827,267 (3.8%) during 2021. The City’s Electric utility and its Water & Sewer utility increased their net positions by \$403,868 (4.3%) and \$450,445 (5.7%) respectively, while the Solid Waste utility and Airport Fund experienced decreases in net position of \$12,947 (-17.7%) and \$14,099 (-0.3%) respectively.

The following two charts illustrate the Business-type Activities revenues and expenses for 2021.

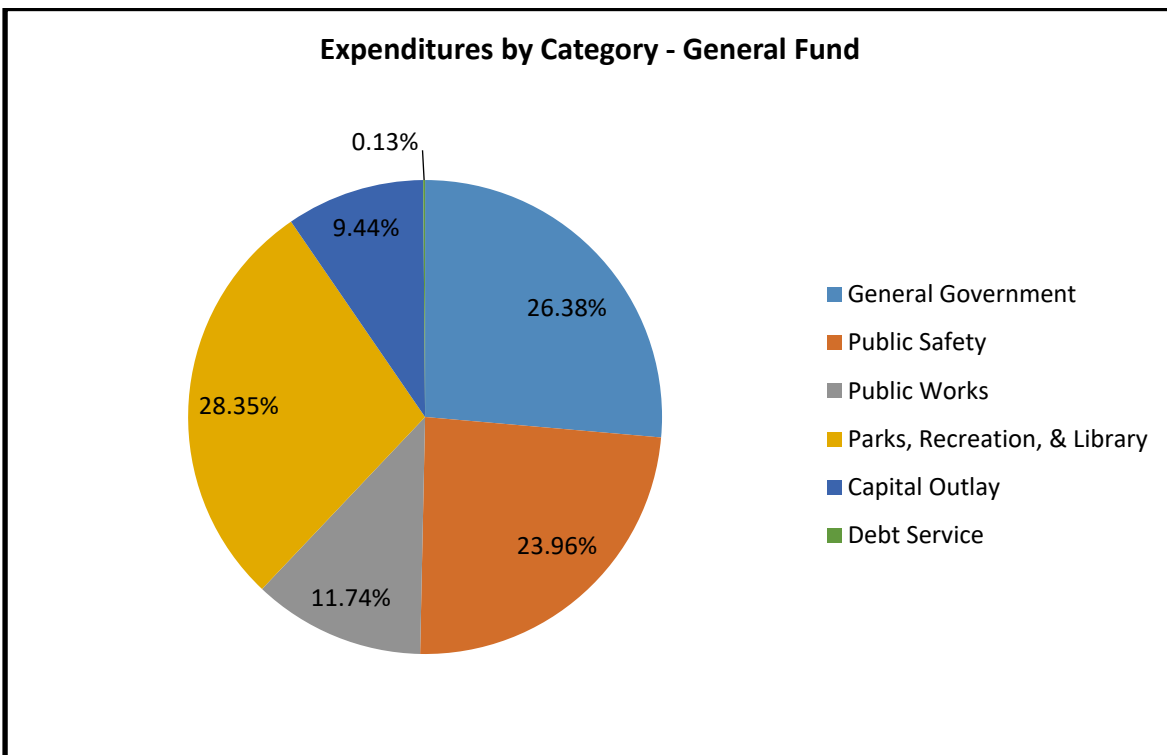
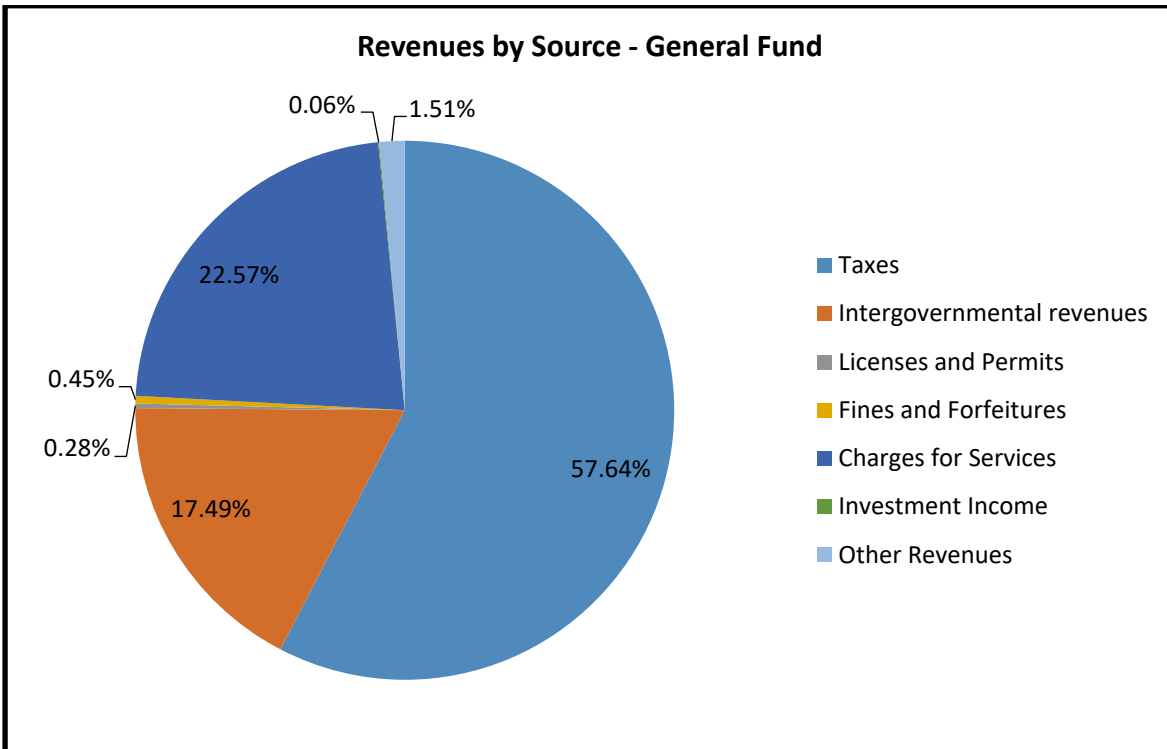




Financial Analysis of the City’s Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Governmental Funds utilize the modified accrual basis of accounting, and the balances of the spendable resources (unrestricted fund balance) in each fund are shown at year end. At December 31, 2021 the City’s Governmental funds reported combined fund balances of \$1,694,579. These funds are discussed below.

General Fund. The General Fund is the chief operating fund of the City of Burlington. It accounts for all the general services provided by the City. At the end of 2021, the fund balance of the General Fund totaled \$1,280,584 which equates to 35.2% of fund revenues for the year. This was a \$555,842 (76.7%) increase over 2020, the second year in a row that the General Fund balance had increased by more than half a million dollars. Management will continue to evaluate the revenues and expenditures of the General Fund during the annual budget process. The following two tables illustrate General Fund revenues and expenditures during 2021.



Tourism Promotion Fund. This fund is utilized to account for the costs and revenues associated with promoting tourism, advertising the community, and attracting tourist and other visitor business to the City. A lodger's tax and various user charges and fees associated with tourism are collected in this fund. The City operates various tourist attractions and events including an Old Town museum with seasonal western shows. During 2021, total fund revenues exceeded fund expenditures by \$29,353 (4.3%). Transfers of \$44,790, \$17,802, and \$5,471 from the Electric Fund, Water & Sewer Fund, and Solid Waste Fund respectively were made to help cover losses of \$183,149 in the Old Town operation. Lodging taxes totaled \$224,373. Management will continue to evaluate the revenues and expenditures of the Tourism Promotion Fund during the annual budget process.

Proprietary funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Total net position of the proprietary funds was \$22,483,135 of which \$13,378,164 were invested in capital assets, \$797,023 were restricted, and \$8,307,948 were unrestricted. The total net position of the proprietary funds increased by \$827,267 (3.8%) during 2021. Other significant factors concerning the finances of the proprietary funds can be found in the discussion of the City's business-type activities above.

Capital Asset and Debt Administration

Capital Assets

As shown in Note 4 of the financial statements, at December 31, 2021 the City had invested in a range of capital assets totaling \$23,147,166 (net of accumulated depreciation) including land, buildings and improvements, vehicles, office equipment, utility systems, park equipment, and a general aviation airport. During 2021, the City made additions to its buildings, equipment, and Airport pavement totaling \$1,099,508. Depreciation expenses of \$1,080,817 on total assets were recorded during 2021.

Governmental Activities Capital Asset Summary

	Balance 1/1/2021	Additions	Deletions	Balance 12/31/2021
Capital assets not being depreciated				
Land	\$ 337,017	\$ -	\$ -	\$ 337,017
Old Town Donations	101,406	-	-	101,406
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	\$ 438,423	\$ -	\$ -	\$ 438,423
Capital assets being depreciated				
Infrastructure	1,229,057	85,766	-	1,314,823
Buildings	4,442,942	25,374	-	4,468,316
Improvements other than buildings	1,532,788	135,716	-	1,668,504
Equipment	2,035,232	165,299	(6,480)	2,194,051
Vehicles	673,024	34,558	-	707,582
Total capital assets being depreciated	\$ 9,913,043	\$ 446,713	\$ (6,480)	\$ 10,353,276
Accumulated depreciation				
Infrastructure	(534,753)	(33,809)	-	(568,562)
Buildings	(2,062,510)	(91,491)	-	(2,154,001)
Improvements other than buildings	(1,139,489)	(45,005)	-	(1,184,494)
Equipment	(1,486,815)	(70,499)	6,480	(1,550,834)
Vehicles	(528,560)	(46,747)	-	(575,307)
Total accumulated depreciation	\$ (5,752,127)	\$ (287,551)	\$ 6,480	\$ (6,033,198)
Net capital assets	\$ 4,599,339	\$ 159,162	\$ -	\$ 4,758,501

Business-type Capital Asset Summary

	Balance 1/1/2021	Additions	Deletions	Balance 12/31/2021
Capital assets not being depreciated				
Land	\$ 609,915	\$ -	\$ -	\$ 609,915
Water rights	2,918,032	-	-	2,918,032
Construction in progress	15,419	-	-	15,419
Total capital assets not being depreciated	\$ 3,543,366	\$ -	\$ -	\$ 3,543,366
Capital assets being depreciated				
System	17,648,256	116,818	-	17,765,074
Buildings	1,079,539	-	-	1,079,539
Improvements other than buildings	6,104,752	335,249	-	6,440,001
Equipment	1,058,805	155,070	-	1,213,875
Vehicles	499,273	45,658	-	544,931
Total capital assets being depreciated	\$ 26,390,625	\$ 652,795	\$ -	\$ 27,043,420
Accumulated depreciation				
System	(6,576,435)	(445,705)	-	(7,022,140)
Buildings	(447,335)	(25,888)	-	(473,223)
Improvements other than buildings	(3,037,409)	(243,509)	-	(3,280,918)
Equipment	(872,491)	(62,659)	-	(935,150)
Vehicles	(471,185)	(15,505)	-	(486,690)
Total accumulated depreciation	\$(11,404,855)	\$(793,266)	\$ -	\$(12,198,121)
Net capital assets	\$ 18,529,136	\$ (140,471)	\$ -	\$ 18,388,665

Debt Administration

The following changes in long-term debt occurred during 2021. Note 5 of the financial statements provides additional information regarding the City's long-term debt, including accrued liabilities for compensated absences.

	Balance 12/31/2020	Advances/Refundings	Repayments	Balance 12/31/2021	Current Portion
Business-type Activities					
2016 CWRPDA Note Payable	957,397	-	31,721	925,676	32,039
2017 CWRPDA Note Payable	227,259	-	7,530	219,729	7,605
2020 BOK Note Payable	3,939,000	-	222,000	3,717,000	230,000
2021 Capital Leases Payable	-	155,069	6,973	148,096	21,118
Total Noncurrent Liabilities	\$ 5,123,656	\$ 155,069	\$ 268,224	\$ 5,010,501	\$ 290,762

Economic Factors and Next Year's Budget

Management intends that its continued emphasis on improved budget development and tracking processes will continue to move the City toward improved fund balances for the governmental funds and enhanced net income for the Airport and Solid Waste funds. It is anticipated that the other enterprise funds will continue to operate profitably with adequate reserves for improvements as needed.

Beginning in March 2020 and continuing into 2021, the State of Colorado imposed lengthy restrictions on businesses, recreation, and places of worship with the stated purpose of slowing the spread of the Coronavirus so that hospital facilities would not be overwhelmed with patients. The Town was economically impacted by these restrictions. Sales and use taxes increased by 6.6% over 2020 as proceeds from residents' and local businesses' on-line purchases expanded. Federal spending, unemployment insurance policies, restrictions on domestic energy production, and considerable expansion of the monetary supply is causing significant inflation throughout all sectors of the economy. The full economic impact these state- and federal-imposed policies and restrictions on the Town's 2022 and future budgets has yet to be determined.

Requests for Information

This financial report is designed to provide the City of Burlington's residents, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the funds it receives and assets it maintains. If you have questions about this report, or should you desire additional financial information, contact the City Treasurer at 415 15th St., Burlington, CO 80807 or call City Hall at (719) 346-8652.

Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

City Council
City of Burlington
Burlington, Colorado

Independent Auditors' Report

Opinion

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of City of Burlington, as of and for the year ended December 31, 2021, and the related notes to the financial statements which collectively comprise City of Burlington's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the City of Burlington as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the City of Burlington and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Burlington's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on test basis, evidence regarding the amounts and disclosures in the financial statements
- Obtain an understanding of internal control relevant to the audit 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 City of Burlington's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt City of Burlington's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the City of Burlington's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 9, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Burlington's basic financial statements. The combining nonmajor and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Local Highway

Finance Report is presented for purposes of legal compliance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Mayberry + Company, LLC

Englewood, Colorado
June 15, 2022

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BASIC FINANCIAL STATEMENTS

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CITY OF BURLINGTON

STATEMENT OF NET POSITION

DECEMBER 31, 2021

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	\$ 1,243,722	\$ 6,102,554	\$ 7,346,276
Restricted Cash and Investments	333,378	1,421,063	1,754,441
Receivables			
Property Tax Receivable	384,743	-	384,743
Utility Receivable	-	1,137,347	1,137,347
Cash with Fiscal Agent	24,687	-	24,687
Accounts Receivable	13,788	-	13,788
Other Receivables	297,659	-	297,659
Inventory	46,134	838,446	884,580
Prepaid Expenses	1,024	76,999	78,023
Total Current Assets	<u>2,345,135</u>	<u>9,576,409</u>	<u>11,921,544</u>
Noncurrent Assets			
Capital Assets not being Depreciated	438,423	3,543,366	3,981,789
Capital Assets being Depreciated	10,353,276	27,043,421	37,396,697
Accumulated Depreciation	<u>(6,033,198)</u>	<u>(12,198,122)</u>	<u>(18,231,320)</u>
Total Noncurrent Assets	<u>4,758,501</u>	<u>18,388,665</u>	<u>23,147,166</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 7,103,636</u>	<u>\$ 27,965,074</u>	<u>\$ 35,068,710</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 154,982	\$ 322,422	\$ 477,404
Accrued Salaries and Benefits	71,847	28,046	99,893
Deposits and Escrow	5,985	76,729	82,714
Accrued Interest Payable	-	15,290	15,290
Total Current Liabilities	<u>232,814</u>	<u>442,487</u>	<u>675,301</u>
Noncurrent Liabilities			
Due within one year	-	293,657	293,657
Due in more than one year	<u>74,048</u>	<u>4,745,795</u>	<u>4,819,843</u>
Total Noncurrent Liabilities	<u>74,048</u>	<u>5,039,452</u>	<u>5,113,500</u>
TOTAL LIABILITIES	<u>306,862</u>	<u>5,481,939</u>	<u>5,788,801</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Property Taxes	384,743	-	384,743
Other Deferred Inflows	<u>32,999</u>	<u>-</u>	<u>32,999</u>
TOTAL DEFERRED INFLOWS	<u>417,742</u>	<u>-</u>	<u>417,742</u>
NET POSITION			
Net Investment in Capital Assets	4,684,453	13,378,164	18,062,617
Restricted Net Position	409,552	797,023	1,206,575
Unrestricted Net Position	<u>1,285,027</u>	<u>8,307,948</u>	<u>9,592,975</u>
TOTAL NET POSITION	<u>6,379,032</u>	<u>22,483,135</u>	<u>28,862,167</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 7,103,636</u>	<u>\$ 27,965,074</u>	<u>\$ 35,068,710</u>

The accompanying notes are an integral part of these financial statements.

CITY OF BURLINGTON

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2021

	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS
FUNCTIONS/PROGRAMS				
Government Activities				
Current:				
General Government	\$ 891,614	\$ 702,755	\$ 151,662	\$ 85,766
Public Safety	821,163	17,153	79,075	-
Public Works	409,264	6,037	391,364	-
Culture and Recreation	1,672,596	536,884	130,325	-
TOTAL GOVERNMENT ACTIVITIES	<u>3,794,637</u>	<u>1,262,829</u>	<u>752,426</u>	<u>85,766</u>
Business-type Activities				
Current:				
Electric	4,345,837	4,814,341	1,500	-
Water & Sewer	1,347,040	1,811,463	2,000	15,000
Solid Waste	552,817	550,800	-	-
Airport	777,179	388,657	85,951	220,363
TOTAL BUSINESS-TYPE ACTIVITIES	<u>7,022,873</u>	<u>7,565,261</u>	<u>89,451</u>	<u>235,363</u>
TOTAL GOVERNMENT	<u>\$ 10,817,510</u>	<u>\$ 8,828,090</u>	<u>\$ 841,877</u>	<u>\$ 321,129</u>
GENERAL REVENUES				
Property Taxes				
Specific Ownership Taxes				
Sales and Use Taxes				
Franchise Taxes				
Other Taxes				
Interest Income				
Insurance Proceeds				
Other Revenues				
TRANSFERS				
TOTAL GENERAL REVENUES AND TRANSFERS				
CHANGE IN NET POSITION				
NET POSITION - Beginning				
NET POSITION - Ending				

The accompanying notes are an integral part of the financial statements.

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

GOVERNMENT ACTIVITIES	BUSINESS - TYPE ACTIVITES	TOTAL
\$ 48,569	\$ -	\$ 48,569
(724,935)	-	(724,935)
(11,863)	-	(11,863)
<u>(1,005,387)</u>	<u>-</u>	<u>(1,005,387)</u>
<u>(1,693,616)</u>	<u>-</u>	<u>(1,693,616)</u>
-	470,004	470,004
-	481,423	481,423
-	(2,017)	(2,017)
-	<u>(82,208)</u>	<u>(82,208)</u>
-	<u>867,202</u>	<u>867,202</u>
<u>(1,693,616)</u>	<u>867,202</u>	<u>(826,414)</u>
361,710	-	361,710
32,993	-	32,993
1,629,861	-	1,629,861
64,603	-	64,603
231,232	-	231,232
2,311	8,124	10,435
-	20,004	20,004
47,069	-	47,069
68,063	<u>(68,063)</u>	<u>-</u>
<u>2,437,842</u>	<u>(39,935)</u>	<u>2,397,907</u>
744,226	827,267	1,571,493
5,634,806	21,655,868	27,290,674
<u>\$ 6,379,032</u>	<u>\$ 22,483,135</u>	<u>\$ 28,862,167</u>

CITY OF BURLINGTON

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2021

With Comparative Totals for December 31, 2020

	<u>SPEC REV FD</u>		
	<u>General</u>	<u>Conservation</u>	<u>Tourism</u>
	<u>Fund</u>	<u>Trust</u>	<u>Promotion</u>
		<u>Fund</u>	<u>Fund</u>
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	\$ 1,068,304	\$ -	\$ 175,418
Restricted Cash and Investments	47,047	286,331	-
Receivables			
Property Tax Receivable	384,743	-	-
Cash with Fiscal Agent	24,687	-	-
Accounts Receivable	-	-	13,788
Other Receivables	297,659	-	-
Inventory	46,134	-	-
Prepaid Expenses	1,024	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 1,869,598</u>	<u>\$ 286,331</u>	<u>\$ 189,206</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 102,182	\$ 17,279	\$ 35,521
Accrued Salaries and Benefits	63,105	-	8,742
Deposits and Escrow	5,985	-	-
TOTAL LIABILITIES	<u>171,272</u>	<u>17,279</u>	<u>44,263</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Property Taxes	384,743	-	-
Other Deferred Inflows	32,999	-	-
TOTAL DEFERRED INFLOWS	<u>417,742</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Nonspendable Fund Balance	47,158	-	-
Restricted Fund Balance	140,500	269,052	-
Committed Fund Balance	32,047	-	144,943
Unassigned Fund Balance	1,060,879	-	-
TOTAL FUND BALANCE	<u>1,280,584</u>	<u>269,052</u>	<u>144,943</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 1,869,598</u>	<u>\$ 286,331</u>	<u>\$ 189,206</u>

The accompanying notes are an integral part of these financial statements.

Total

<u>2021</u>	<u>2020</u>
\$ 1,243,722	\$ 491,627
333,378	320,152
384,743	362,718
24,687	22,485
13,788	13,507
297,659	309,533
46,134	45,989
1,024	-
<u>\$ 2,345,135</u>	<u>\$ 1,566,011</u>

\$ 154,982	\$ 64,191
71,847	64,288
5,985	6,310
<u>232,814</u>	<u>134,789</u>
384,743	362,718
32,999	33,037
<u>417,742</u>	<u>395,755</u>
47,158	45,989
409,552	445,225
176,990	41,953
1,060,879	502,300
<u>1,694,579</u>	<u>1,035,467</u>
<u>\$ 2,345,135</u>	<u>\$ 1,566,011</u>

CITY OF BURLINGTON

**RECONCILIATION OF GOVERNMENTAL FUND BALANCE
TO GOVERNMENTAL ACTIVITIES NET POSITION
DECEMBER 31, 2021**

Fund Balance - Governmental Funds		\$	1,694,579
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds			
Capital assets, not being depreciated	\$	438,423	
Capital assets, being depreciated		10,353,276	
Accumulated depreciation		<u>(6,033,198)</u>	4,758,501
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.			
Capital leases payable			<u>(74,048)</u>
Total Net Position - Governmental Activities		\$	<u><u>6,379,032</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF BURLINGTON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2021

With Comparative Totals for the Year Ended December 31, 2020

	SPEC REV FUNDS			TOTAL	
	General	Conservation Trust	Tourism Promotion		
	Fund	Fund	Fund	2021	2020
REVENUES					
Taxes	\$ 2,096,026	\$ -	\$ 224,373	\$ 2,320,399	\$ 2,194,305
Intergovernmental Revenues	635,926	38,525	37,883	712,334	493,353
Licenses and Permits	10,110	-	-	10,110	7,622
Fines and Forfeits	16,363	-	-	16,363	10,934
Charges for Services	820,804	-	415,552	1,236,356	1,085,822
Investment Earnings	2,285	26	-	2,311	3,390
Other Revenues	54,947	-	32,214	87,161	66,155
TOTAL REVENUES	3,636,461	38,551	710,022	4,385,034	3,861,581
EXPENDITURES					
Current:					
General Government	833,037	-	24,790	857,827	902,455
Public Safety	756,644	-	-	756,644	642,171
Public Works	370,849	-	-	370,849	362,507
Parks, Recreation and Other	895,363	46	607,914	1,503,323	1,347,501
Capital Outlay	298,165	32,651	47,965	378,781	130,349
Debt Service	4,096	-	-	4,096	-
TOTAL EXPENDITURES	3,158,154	32,697	680,669	3,871,520	3,384,983
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	478,307	5,854	29,353	513,514	476,598
OTHER FINANCING SOURCES (USES)					
Debt Proceeds	77,535	-	-	77,535	-
Transfers (In)	-	-	68,063	68,063	80,000
CHANGE IN FUND BALANCE	555,842	5,854	97,416	659,112	556,598
FUND BALANCE, BEGINNING	724,742	263,198	47,527	1,035,467	478,869
FUND BALANCE, ENDING	\$ 1,280,584	\$ 269,052	\$ 144,943	\$ 1,694,579	\$ 1,035,467

The accompanying notes are an integral part of these financial statements.

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CITY OF BURLINGTON

**RECONCILIATION OF GOVERNMENTAL FUNDS CHANGE IN FUND BALANCE
TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021**

Change in Fund Balance - Governmental Funds			\$ 659,112
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level			
Capitalized Asset Purchases	\$	360,947	
Donated Capital Assets		85,766	
Depreciation Expense		<u>(287,551)</u>	159,162
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level			
Proceeds from debt issuances		(77,535)	
Principal payments on capital leases		<u>3,487</u>	<u>(74,048)</u>
Change in Net Position - Governmental Activities			<u>\$ 744,226</u>

The accompanying notes are an integral part of these financial statements.

CITY OF BURLINGTON

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

DECEMBER 31, 2021

With Comparative Totals for December 31, 2020

	Business-type Activities			
	Electric	Water & Sewer	Solid Waste	Airport
	Fund	Fund	Fund	Fund
ASSETS AND DEFERRED OUTFLOWS				
ASSETS				
Current Assets				
Cash and Investments				
Cash	\$ 5,135,435	\$ 1,524,515	\$ 6,927	\$ (564,323)
Restricted Cash and Investments	-	797,023	-	624,040
Receivables				
Utility Receivable	762,509	276,564	98,274	-
Accounts Receivable	-	-	-	-
Other Receivables	-	-	-	-
Inventory	636,954	191,226	-	10,266
Prepaid Expenses	1,024	75,975	-	-
Total Current Assets	<u>6,535,922</u>	<u>2,865,303</u>	<u>105,201</u>	<u>69,983</u>
Noncurrent Assets				
Capital Assets not being depreciated	42,718	2,933,144	-	567,504
Capital Assets being depreciated	7,720,538	11,290,987	-	8,031,896
Accumulated Depreciation	<u>(4,198,140)</u>	<u>(3,803,831)</u>	<u>-</u>	<u>(4,196,151)</u>
Total Noncurrent Assets	<u>3,565,116</u>	<u>10,420,300</u>	<u>-</u>	<u>4,403,249</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 10,101,038</u>	<u>\$ 13,285,603</u>	<u>\$ 105,201</u>	<u>\$ 4,473,232</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 229,129	\$ 21,155	\$ 44,982	\$ 27,156
Accrued Salaries and Benefits	14,270	9,388	-	4,388
Deposits and Escrow	76,229	500	-	-
Accrued Interest Payable	-	15,290	-	-
Total Current Liabilities	<u>319,628</u>	<u>46,333</u>	<u>44,982</u>	<u>31,544</u>
Noncurrent Liabilities				
Due within one year	11,810	281,408	-	439
Due in more than one year	74,752	4,667,092	-	3,951
Total Noncurrent Liabilities	<u>86,562</u>	<u>4,948,500</u>	<u>-</u>	<u>4,390</u>
TOTAL LIABILITIES	<u>406,190</u>	<u>4,994,833</u>	<u>44,982</u>	<u>35,934</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES				
NET POSITION				
Net Investment in Capital Assets	3,491,068	5,483,847	-	4,403,249
Restricted Net Position	-	797,023	-	-
Unrestricted Net Position	6,203,780	2,009,900	60,219	34,049
TOTAL NET POSITION	<u>9,694,848</u>	<u>8,290,770</u>	<u>60,219</u>	<u>4,437,298</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 10,101,038</u>	<u>\$ 13,285,603</u>	<u>\$ 105,201</u>	<u>\$ 4,473,232</u>

The accompanying notes are an integral part of these financial statements.

Total	
2021	2020
\$ 6,102,554	\$ 5,452,186
1,421,063	1,060,262
1,137,347	1,101,072
-	78
-	80,996
838,446	896,046
76,999	91,100
<u>9,576,409</u>	<u>8,681,740</u>
3,543,366	3,543,366
27,043,421	26,390,625
(12,198,122)	(11,404,855)
<u>18,388,665</u>	<u>18,529,136</u>
<u>\$ 27,965,074</u>	<u>\$ 27,210,876</u>
\$ 322,422	\$ 298,658
28,046	19,949
76,729	72,979
15,290	16,178
<u>442,487</u>	<u>407,764</u>
293,657	251,610
<u>4,745,795</u>	<u>4,895,634</u>
<u>5,039,452</u>	<u>5,147,244</u>
<u>5,481,939</u>	<u>5,555,008</u>
13,378,164	13,405,480
797,023	648,193
8,307,948	7,602,195
<u>22,483,135</u>	<u>21,655,868</u>
<u>\$ 27,965,074</u>	<u>\$ 27,210,876</u>

CITY OF BURLINGTON

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

FOR THE YEAR ENDED DECEMBER 31, 2021

With Comparative Totals for the Year Ended December 31, 2020

	Business-type Activities			
	Electric	Water & Sewer	Solid Waste	Airport
	Fund	Fund	Fund	Fund
Operating Revenues				
Utility Charges	\$ 4,770,825	\$ 1,808,434	\$ 550,800	\$ -
Airport Charges	-	-	-	375,912
Other Charges for Services	43,516	3,029	-	12,745
Total Revenues	<u>4,814,341</u>	<u>1,811,463</u>	<u>550,800</u>	<u>388,657</u>
Operating Expenses				
Airport	-	-	-	472,238
Solid Waste Collection	-	-	552,817	-
Electric Production	3,070,001	-	-	-
Electric Distribution	480,585	-	-	-
Water Treatment and Distribution	-	514,414	-	-
Sewer Collection and Treatment	-	202,278	-	-
Administration	571,478	258,893	-	70
Depreciation Expense	223,164	265,231	-	304,871
Other Capital Outlay	-	-	-	-
Total Expenditures	<u>4,345,228</u>	<u>1,240,816</u>	<u>552,817</u>	<u>777,179</u>
Operating Income (Loss)	<u>469,113</u>	<u>570,647</u>	<u>(2,017)</u>	<u>(388,522)</u>
Other Income (Expense)				
Intergovernmental Revenue	1,500	2,000	-	85,951
Investment Earnings	4,425	3,641	12	46
Other Revenue	19,019	985	-	-
Interest Expense	(609)	(106,224)	-	-
Gain (Loss) on Sale of Assets	-	-	-	-
Total Other Income (Expense)	<u>24,335</u>	<u>(99,598)</u>	<u>12</u>	<u>85,997</u>
Net Income (Loss) before Transfers	493,448	471,049	(2,005)	(302,525)
Transfers				
Transfers In/(Out)	(89,580)	(35,604)	(10,942)	68,063
Net Income (Loss)	<u>403,868</u>	<u>435,445</u>	<u>(12,947)</u>	<u>(234,462)</u>
Contributed Capital				
Plant Investment Fees	-	15,000	-	-
Intergovernmental Revenue	-	-	-	220,363
Other Capital Contributions	-	-	-	-
Total Contributed Capital	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>220,363</u>
Change in Net Position	403,868	450,445	(12,947)	(14,099)
Net Position, Beginning	<u>9,290,980</u>	<u>7,840,325</u>	<u>73,166</u>	<u>4,451,397</u>
Net Position, Ending	<u>\$ 9,694,848</u>	<u>\$ 8,290,770</u>	<u>\$ 60,219</u>	<u>\$ 4,437,298</u>

The accompanying notes are an integral part of these financial statements.

Total	
2021	2020
\$ 7,130,059	\$ 6,832,207
375,912	201,893
59,290	65,652
<u>7,565,261</u>	<u>7,099,752</u>
472,238	282,229
552,817	538,610
3,070,001	2,581,447
480,585	324,428
514,414	422,946
202,278	226,477
830,441	852,553
793,266	772,244
-	65,947
<u>6,916,040</u>	<u>6,066,881</u>
<u>649,221</u>	<u>1,032,871</u>
89,451	38
8,124	10,674
20,004	5,865
(106,833)	(120,436)
-	756
<u>10,746</u>	<u>(103,103)</u>
659,967	929,768
<u>(68,063)</u>	<u>(80,000)</u>
<u>591,904</u>	<u>849,768</u>
15,000	27,200
220,363	964,285
-	(29,900)
<u>235,363</u>	<u>961,585</u>
827,267	1,811,353
<u>21,655,868</u>	<u>19,844,515</u>
<u>\$ 22,483,135</u>	<u>\$ 21,655,868</u>

CITY OF BURLINGTON

STATEMENT OF CASH FLOWS -

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2021

With Comparative Totals for the Year Ended December 31, 2020

	Business-type Activities			
	Electric	Water & Sewer	Solid Waste	Airport
	Fund	Fund	Fund	Fund
Cash Flows From Operating Activities:				
Cash Received from Customers	\$ 4,789,841	\$ 1,802,559	\$ 551,717	\$ 469,694
Cash Paid to Suppliers	(3,819,358)	(777,229)	(551,799)	(368,730)
Cash Paid to Employees	(244,871)	(182,781)	-	(69,082)
Net Cash Provided by Operating Activities	<u>725,612</u>	<u>842,549</u>	<u>(82)</u>	<u>31,882</u>
Cash Flows From Capital and Related Financing Activities:				
Tap Fees Received	-	15,000	-	-
Debt Proceeds	77,535	77,535	-	-
Debt Principal Payments	(3,487)	(264,738)	-	-
Grant Proceeds	1,500	2,000	-	306,314
Interest Payments	(609)	(107,112)	-	-
Proceeds of Capital Asset Sales	-	-	-	-
Acquisition of Capital Assets	(156,625)	(160,921)	-	(335,249)
Cash Flows Used by Capital and Related Financing Activities	<u>(81,686)</u>	<u>(438,236)</u>	<u>-</u>	<u>(28,935)</u>
Cash Flows (Uses) From Noncapital Financing Activities:				
Cash from Other Funds	(89,580)	(35,604)	(10,942)	68,063
Other Revenues (Expense)	19,019	985	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(70,561)</u>	<u>(34,619)</u>	<u>(10,942)</u>	<u>68,063</u>
Cash Flows (Uses) From Investing Activities:				
Interest Received	4,425	3,641	12	46
Net Increase (Decrease) in Cash	577,790	373,335	(11,012)	71,056
Cash - Beginning	4,557,645	1,948,203	17,939	(11,339)
Cash - Ending	<u>\$ 5,135,435</u>	<u>\$ 2,321,538</u>	<u>\$ 6,927</u>	<u>\$ 59,717</u>
Cash	\$ 5,135,435	\$ 1,524,515	\$ 6,927	\$ (564,323)
Restricted Cash and Investments	-	797,023	-	624,040
Total	<u>\$ 5,135,435</u>	<u>\$ 2,321,538</u>	<u>\$ 6,927</u>	<u>\$ 59,717</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:				
Operating Income (Loss)	\$ 469,113	\$ 570,647	\$ (2,017)	\$ (388,522)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	223,164	265,231	-	304,871
Changes in Assets and Liabilities Related to Operations:				
(Increase) Decrease in:				
Utility Receivable	(28,769)	(8,423)	917	-
Accounts Receivable	19	-	-	59
Other Receivables	-	19	-	80,978
Inventory	47,146	(839)	-	11,292
Prepaid Expenses	(1,024)	9,120	-	6,004
(Increase) Decrease in:				
Accounts Payable	2,364	5,151	1,018	15,233
Accrued Salaries and Benefits	5,163	1,126	-	1,808
Deposits and Escrow	4,250	(500)	-	-
Accrued Compensated Absences	4,186	1,017	-	159
Total Adjustments	<u>256,499</u>	<u>271,902</u>	<u>1,935</u>	<u>420,404</u>
Net Cash Used for Operating Activities	<u>\$ 725,612</u>	<u>\$ 842,549</u>	<u>\$ (82)</u>	<u>\$ 31,882</u>

The accompanying notes are an integral part of these financial statements.

Total	
2021	2020
\$ 7,613,811	\$ 7,014,618
(5,517,116)	(5,190,883)
<u>(496,734)</u>	<u>(452,717)</u>
<u>1,599,961</u>	<u>1,371,018</u>
15,000	27,200
155,070	-
(268,225)	(544,862)
309,814	964,323
(107,721)	(152,665)
-	756
<u>(652,795)</u>	<u>(970,333)</u>
<u>(548,857)</u>	<u>(675,581)</u>
(68,063)	(80,000)
20,004	5,865
<u>(48,059)</u>	<u>(74,135)</u>
8,124	10,674
1,011,169	631,976
<u>6,512,448</u>	<u>5,880,472</u>
<u>\$ 7,523,617</u>	<u>\$ 6,512,448</u>
\$ 6,102,554	\$ 5,452,186
<u>1,421,063</u>	<u>1,060,262</u>
<u>\$ 7,523,617</u>	<u>\$ 6,512,448</u>
\$ 649,221	\$ 1,032,871
793,266	772,244
(36,275)	31,634
78	(78)
80,997	(70,055)
57,599	(290,590)
14,100	(15,752)
23,766	(47,313)
8,097	3,767
3,750	(46,635)
<u>5,362</u>	<u>925</u>
<u>950,740</u>	<u>338,147</u>
<u>\$ 1,599,961</u>	<u>\$ 1,371,018</u>

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

HISTORY AND FUNCTION OF ORGANIZATION

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

The City is a political subdivision of the State of Colorado which is governed by an elected mayor and elected six-member City Council. The accounting policies of the City of Burlington, Colorado conform to generally accepted accounting principles (GAAP) as applicable to governments. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant principles.

REPORTING ENTITY

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

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental Activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the 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.

Separate financial statements are provided for governmental funds, and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 pension trust fund financial statements. Revenues are recorded when earned and expenses are recorded when the 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 related items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, sales and use taxes, franchise fees, state shared revenues, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

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, are recorded only when payment is due.

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 the fund's principal ongoing operations. Operating expenses 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.

In the fund financial statements, the City reports the following major governmental funds:

General Fund

The General Fund uses the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Certain service fees and non-tax revenues are recognized when received or billed. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal sources of revenues are property and sales taxes. Principal expenditures are for police protection, public works, parks and recreations and City administration.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION
(Continued)

Special Revenue Funds:

These funds account for revenues derived from specific taxes or other designated revenues that are legally restricted to expenditures for specific purposes. The City's special revenue funds are as follows:

Tourism Promotion Fund

The Tourism Promotion Fund accounts for all activities intended to promote local tourism, including the City's "Old Town" attraction and accounts for the City's lodging taxes.

Conservation Trust Fund

The Conservation Trust Fund accounts for funds received through the State of Colorado Lottery/Conservation Trust Fund program. This fund is required through state statute to be spent on parks and recreation.

Proprietary Funds

The City also reports the following major proprietary funds:

Electric, Water and Sewer, Solid Waste and Airport Funds

The Electric and Water & Sewer funds account for activities of the City's electricity transmission, water distribution, and sewage collection operations. The Solid Waste fund accounts for activities of the City's trash collection and operations. The Airport Fund accounts for the sale of fuel and expenses of operating the airport.

PROPERTY TAXES

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the City on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding unavailable revenue are recorded at December 31. As the tax is collected in the succeeding year, the unavailable revenue is recognized as revenue and the receivable is reduced.

ACCUMULATED UNPAID LEAVE (COMPENSATED ABSENCES)

Employees are allowed 10-15 vacation days each year depending on years of employment. Employee may accrue up to 1.5 times the annual vacation allotment at which time further accrual will cease. Employee is eligible for payout of all accrued vacation at time of termination, payout determined on current rate of pay. Sick leave is accrued at the rate of 10 days per year with accumulation of up to 90 days. No payment is made for unused sick leave.

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ACCOUNTS RECEIVABLE

Based upon a review of the existing accounts receivable, no allowance for doubtful accounts is needed for any fund.

INVENTORY

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

PREPAID ITEMS

Payments to vendors for services that will benefit periods beyond the year-end are recorded as prepaid items.

CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Property and equipment of the City is depreciated using the straight line method over the following estimated useful lives.

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

The City has elected to not retroactively report infrastructure.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows related to taxes levied in 2021 to be collected in 2022.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NET POSITION/FUND BALANCES

In the government-wide financial statements and for the proprietary fund statements, net position are either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as “nonspendable” include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Fund balances are reported as “restricted” when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Trustees, are reported as “committed” fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as “assigned” fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. The City currently has no assigned fund balances.

All remaining fund balance in the General Fund or deficits in the other governmental funds are presented as unassigned.

NET POSITION/FUND EQUITY FLOW ASSUMPTIONS

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CASH FLOW STATEMENT

For purposes of the statement of cash flows, cash equivalents are defined as all bank account balances and investments with maturities of ninety days or less.

COMPARATIVE DATA

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

By December 15, the City Council certifies to County Commissioners the mill levy against the assessed valuation.

Final adoption and an ordinance or resolution making appropriations is due by December 31 and submitted to division of local government within 30 days.

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

Expenditures exceeded appropriations in the Tourism and Promotion, Solid Waste and Airport Funds, which may be a violation of Colorado statutes.

The City does not utilize encumbrance accounting and all appropriations lapse at year end.

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 3: CASH AND INVESTMENTS

DEPOSITS

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government’s deposits may not be returned to it. The City’s deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations.

Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution’s internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2021, all of the City’s deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

Deposits at December 31, 2021 were as follows:

	<u>Bank Balance</u>	<u>Book Balance</u>
FDIC Insured	\$ 890,455	\$ 890,455
Collateralized under PDPA (Not in Entity's Name)	8,242,910	8,207,280
Petty Cash	-	1,033
Total Cash and Investments	<u>\$ 9,133,365</u>	<u>\$ 9,098,768</u>

INVESTMENTS

Credit Risk

Colorado statutes specify which instruments units of local government may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of the U.S. local government entities
- Bankers’ acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 3: CASH AND INVESTMENTS (Continued)

The City does not have an investment policy that would further limit its investment choices.

For the year ended December 31, 2021, the City did not hold any investments as described above.

Concentration of Credit Risk

The City places no limit on the amount that may be invested in any one issuer.

Interest Rate Risk

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in the statutes. The City's investment portfolio contains no investments that exceed that limitation.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2021, the City's did not hold any investments exposed to Custodial Credit Risk.

RESTRICTED CASH

The City has restricted cash and set aside equity as follows:

<u>Restricted Cash</u>		
Restricted for Library	\$ 15,000	
Restricted for Parks	<u>286,332</u>	
Included in Restricted Fund Balance		301,332
Committed for Parmer Park	740	
Committed for Library	<u>31,307</u>	
Included in Committed Fund Balance		32,047
Restricted O & M and Debt Service Reserve (Restricted Net Position)		797,023
Restricted for Airport Runway Replacement (Unrestricted Net Position)		<u>624,040</u>
Total Restricted Cash		<u>\$ 1,754,442</u>

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4: CAPITAL ASSETS

A summary of the City's governmental capital asset transactions for the year are as follows:

	Balance 1/1/2021	Additions	Deletions	Balance 12/31/2021
Capital assets not being depreciated				
Land	\$ 337,017	\$ -	\$ -	\$ 337,017
Old Town Donations/Collection	101,406	-	-	101,406
Total capital assets not being depreciated	<u>438,423</u>	<u>-</u>	<u>-</u>	<u>438,423</u>
Capital assets being depreciated				
Infrastructure	1,229,057	85,766	-	1,314,823
Buildings	4,442,942	25,374	-	4,468,316
Improvements other than buildings	1,532,788	135,716	-	1,668,504
Equipment	2,035,232	165,299	(6,480)	2,194,051
Vehicles	673,024	34,558	-	707,582
Total capital assets being depreciated	<u>9,913,043</u>	<u>446,713</u>	<u>(6,480)</u>	<u>10,353,276</u>
Accumulated depreciation				
Infrastructure	(534,753)	(33,809)	-	(568,562)
Buildings	(2,062,510)	(91,491)	-	(2,154,001)
Improvements other than buildings	(1,139,489)	(45,005)	-	(1,184,494)
Equipment	(1,486,815)	(70,499)	6,480	(1,550,834)
Vehicles	(528,560)	(46,747)	-	(575,307)
Total accumulated depreciation	<u>(5,752,127)</u>	<u>(287,551)</u>	<u>6,480</u>	<u>(6,033,198)</u>
Net Capital Assets	<u>\$ 4,599,339</u>	<u>\$ 159,162</u>	<u>\$ -</u>	<u>\$ 4,758,501</u>

Depreciation has been allocated to the various governmental functions as follows:

General Government	\$ 33,786
Public Safety	46,685
Public Works	37,807
Culture and Recreation	169,273
Total Depreciation	<u>\$ 287,551</u>

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4: CAPITAL ASSETS (Continued)

A summary of the City's business-type capital asset transactions for the year are as follows:

	Balance <u>1/1/2021</u>	Additions	Deletions	Balance <u>12/31/2021</u>
Capital assets not being depreciated				
Land	\$ 609,915	\$ -	\$ -	\$ 609,915
Water rights	2,918,032	-	-	2,918,032
Construction in progress	15,419	-	-	15,419
Total capital assets not being depreciated	<u>3,543,366</u>	<u>-</u>	<u>-</u>	<u>3,543,366</u>
Capital assets being depreciated				
System	17,648,256	116,818	-	17,765,074
Buildings	1,079,540	-	-	1,079,540
Other improvements	6,104,751	335,249	-	6,440,000
Equipment	1,058,805	155,070	-	1,213,875
Vehicles	499,273	45,658	-	544,931
Total capital assets being depreciated	<u>26,390,625</u>	<u>652,795</u>	<u>-</u>	<u>27,043,420</u>
Accumulated depreciation				
System	(6,576,435)	(445,705)	-	(7,022,140)
Buildings	(447,335)	(25,888)	-	(473,223)
Other improvements	(3,037,409)	(243,509)	-	(3,280,918)
Equipment	(872,491)	(62,659)	-	(935,150)
Vehicles	(471,185)	(15,505)	-	(486,690)
Total accumulated depreciation	<u>(11,404,855)</u>	<u>(793,266)</u>	<u>-</u>	<u>(12,198,121)</u>
Net Capital Assets	<u>\$ 18,529,136</u>	<u>\$ (140,471)</u>	<u>\$ -</u>	<u>\$ 18,388,665</u>

Depreciation has been allocated to the various business-type activities as follows:

Electric	\$ 223,164
Water	195,840
Sewer	69,391
Airport	304,871
Total Depreciation	<u>\$ 793,266</u>

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: LONG-TERM DEBT

BUSINESS-TYPE ACTIVITIES

Changes in business-type activity long-term debt are as follows:

	<u>Balance</u> <u>12/31/2020</u>	<u>Advances/ Refundings</u>	<u>Repayments</u>	<u>Balance</u> <u>12/31/2021</u>	<u>Due within One Year</u>	<u>Accrued Interest</u>	<u>Interest Expense</u>
<u>Business-type Activities</u>							
Accrued Compensated Absences	\$ 23,588	\$ 5,363	\$ -	\$ 28,951	\$ 2,895	\$ -	\$ -
2016 CWRPDA Note Payable	957,397	-	31,721	925,676	32,039	1,543	9,442
2017 CWRPDA Note Payable	227,259	-	7,530	219,729	7,605	366	2,241
2020 BOK Note Payable	3,939,000	-	222,000	3,717,000	230,000	13,381	83,968
2021 Capital Leases Payable	-	155,069	6,973	148,096	21,118	-	1,218
Total Noncurrent Liabilities	<u>\$ 5,147,244</u>	<u>\$ 160,432</u>	<u>\$ 268,224</u>	<u>\$ 5,039,452</u>	<u>\$ 293,657</u>	<u>\$ 15,290</u>	<u>\$ 96,869</u>

In November 2016, the City entered into a \$2,250,000 loan agreement through the Colorado Water Resource and Power Development Authority (“CWRPDA”) in the Water & Sewer Fund at a rate of 1% for a term of 30 years for facilities of the water system. Principal and interest payments are due on May 1 and November 1 of each year. CWRPDA forgave \$330,900 of principal during 2017. The loan requires the maintenance of an operations and maintenance reserve account in the amount of three months of budgeted operations, or \$284,700 as of December 31, 2021. The loan also contains a requirement that net revenues as defined exceed 110% of the maximum annual debt service of the outstanding and parity loans bonds. The City has set aside funds to meet the operations and maintenance reserve requirements as described above.

Scheduled payments on the loan are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 32,039	\$ 9,177	\$ 41,216
2023	32,360	8,856	41,216
2024	32,685	8,531	41,216
2025	33,012	8,204	41,216
2026	33,343	7,873	41,216
2027-2031	171,799	34,281	206,080
2032-2036	180,584	25,496	206,080
2037-2041	189,819	16,261	206,080
2042-2046	199,525	6,555	206,080
2047	20,510	105	20,615
Total	<u>\$ 925,676</u>	<u>\$ 125,339</u>	<u>\$ 1,051,015</u>

In April 2018, the City entered into a \$250,000 loan agreement through the Colorado Water Resource and Power Development Authority at a rate of 1% for a term of 30 years for facilities of the water system. Principal and interest payments are due on May 1 and November 1 of each year. The loan requires the maintenance of an operations and maintenance reserve account in the amount of three months of budgeted operations as noted above. The loan also contains a requirement that net revenues as defined exceed 110% of the maximum annual debt service of the outstanding and parity loans bonds. The City has set aside funds to meet the operations and maintenance reserve requirements as described above.

Scheduled payments on the loan are as follows:

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: LONG-TERM DEBT (Continued)

BUSINESS-TYPE ACTIVITIES (Continued)

Year	Principal	Interest	Total
2022	\$ 7,605	\$ 2,178	\$ 9,783
2023	7,681	2,102	9,783
2024	7,758	2,025	9,783
2025	7,836	1,947	9,783
2026	7,915	1,869	9,784
2027-2031	40,375	8,542	48,917
2032-2036	42,865	6,052	48,917
2037-2041	45,058	3,860	48,918
2042-2046	47,360	1,555	48,915
2046-2047	4,871	24	4,895
Total	\$ 219,729	\$ 29,749	\$ 249,478

In June 2020, the City issued \$4,133,000 of Series 2020A revenue bonds in the Water & Sewer Fund at a 2.16% rate (2.16% yield) for a term of 15 years for the purpose of refinancing the City's Series 2014 Revenue Bonds. Interest payments are due on May 1 and November 1 of each year and principal payments were due on November 1 of each year, except for the final principal payment due May 1, 2035. The bonds can be called at any time subject to a yield maintenance agreement requiring payment of the present value difference between scheduled interest and yields based on defined market rates at the date of the call. The bond requires the maintenance of a reserve account equal to the lessor of 10% of the issuance, 100% of the maximum annual debt service on the bonds and parity debt, or 125% of the average annual debt service of the bonds and parity debt. For December 31, 2021 that amount was determined to be the maximum annual debt service of \$363,493 occurring in 2031. The bonds also contain a revenue pledge. The City recognized a charge on refunding of \$88,713 that will be amortized over the life of the new bonds. The City realized a net present value cash flow savings of \$759,089 on the refunding not including the required upfront cash payment of \$390,708 upon closing.

Scheduled payments on the bonds are as follows:

Year	Principal	Interest	Total
2022	\$ 230,000	\$ 80,287	\$ 310,287
2023	237,000	75,319	312,319
2024	238,000	70,200	308,200
2025	249,000	65,059	314,059
2026	249,000	59,681	308,681
2027-2031	1,337,000	215,105	1,552,105
2032-2035	1,177,000	61,063	1,238,063
Total	\$ 3,717,000	\$ 626,714	\$ 4,343,714

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: LONG-TERM DEBT (Continued)

BUSINESS-TYPE ACTIVITIES (Continued)

In May 2021, the City entered into a capital lease arrangement for the purchase of a Backhoe. The lease was for \$93,472 and requires monthly payments of \$1,182 and a final payment of \$31,582 including interest at a rate of 2.49% with payments starting September, 2021 through August, 2026. The City has capitalized assets of \$93,472 related to this lease, the lease payments have been equally distributed among the General, Electric and Water & Sewer Funds. Upon default, the lessor will have all rights and remedies available under applicable law. In addition, all lease payments may be declared due or become due during the fiscal year in which the event of default occurs, lessor may repossess the unit, lessor may cancel any extended warranty agreement on behalf of the lessee and receive the refund of the extended warranty agreement fees that were financed but had not received from the lessee as of the date of the event of default.

Scheduled payments on the lease are as follows:

<u>Year</u>	<u>General</u>	<u>Electric</u>	<u>Water & Sewer</u>	<u>Total</u>
2022	\$ 4,729	\$ 4,729	\$ 4,729	\$ 14,187
2023	4,729	4,729	4,729	14,187
2024	4,729	4,729	4,729	14,187
2025	4,729	4,729	4,729	14,187
2026	13,286	13,286	13,286	39,858
Total Future Min. Lease Pmts	32,202	32,202	32,202	96,606
Less: Interest at 2.489%	(2,375)	(2,375)	(2,375)	(7,125)
Net Present Value of Pmts	<u>\$ 29,827</u>	<u>\$ 29,827</u>	<u>\$ 29,827</u>	<u>\$ 89,481</u>

In May 2021, the City entered into a capital lease arrangement for the purchase of a Loader. The lease was for \$139,132 and requires monthly payments of \$1,890 and a final payment of \$36,960 including interest at a rate of 2.49% with payments starting September, 2021 through August, 2026. The City has capitalized assets of \$139,132 related to this lease, the lease payments have been equally distributed among the General, Electric and Water & Sewer Funds. Upon default, the lessor will have all rights and remedies available under applicable law. In addition, all lease payments may be declared due or become due during the fiscal year in which the event of default occurs, lessor may repossess the unit, lessor may cancel any extended warranty agreement on behalf of the lessee and receive the refund of the extended warranty agreement fees that were financed but had not received from the lessee as of the date of the event of default.

Scheduled payments on the lease are as follows:

<u>Year</u>	<u>General</u>	<u>Electric</u>	<u>Water & Sewer</u>	<u>Total</u>
2022	\$ 7,558	\$ 7,558	\$ 7,558	\$ 22,674
2023	7,558	7,558	7,558	22,674
2024	7,558	7,558	7,558	22,674
2025	7,558	7,558	7,558	22,674
2026	17,359	17,359	17,359	52,077
Total Future Min. Lease Pmts	47,591	47,591	47,591	142,773
Less: Interest at 2.489%	(3,370)	(3,370)	(3,370)	(10,110)
Net Present Value of Pmts	<u>\$ 44,221</u>	<u>\$ 44,221</u>	<u>\$ 44,221</u>	<u>\$ 132,663</u>

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: LONG-TERM DEBT (Continued)

BUSINESS-TYPE ACTIVITIES (Continued)

In addition, the City has recorded the following deferred outflows and inflows related to the above debt issuances:

	<u>Balance</u> <u>12/31/2020</u>	<u>Advances/ Refundings</u>	<u>Repayments</u>	<u>Balance</u> <u>12/31/2021</u>	<u>Due within</u> <u>One Year</u>
<u>Deferred Outflows</u>					
<u>2020 BOK Note Payable</u>					
Charge on Refunding	\$ (85,096)	\$ -	\$ 10,144	\$ (95,240)	\$ 10,144

RATE MAINTENANCE COVERAGE

The 2020 Revenue Bonds and Colorado Water Resources and Power Development Authority loan agreements requires that Net Revenues shall represent a sum equal to 115% and 110%, respectively, of the amount necessary to pay when due the principal and interest on the loan and parity debt coming due. The computation of said rate maintenance is as follows:

Gross Charges for Services	\$ 1,811,463
Other Charges	4,626
Plant Investment Fees	<u>15,000</u>
Gross Revenue	<u>1,831,089</u>
Water Treatment and Distribution	514,414
Sewer Collection and Treatment	202,278
Administration	258,893
Transfers Out	<u>35,604</u>
Operations and Maintenance Expenses	<u>1,011,189</u>
Net Revenues	819,900
Maximum Annual Debt Service - FY2031	363,493
Rate Maintenance Coverage	<u>115%</u>
Required Rate Maintenance Net Revenue	<u>418,017</u>
Excess Coverage (Deficiency)	<u>\$ 401,883</u>

GOVERNMENTAL ACTIVITIES

The following is a summary of governmental activity long term debt.

<u>Governmental Activities</u>	<u>Balance</u> <u>12/31/2020</u>	<u>Advances</u>	<u>Repayments</u>	<u>Balance</u> <u>12/31/2021</u>	<u>Due within</u> <u>One Year</u>
2021 Capital Lease Obligations	\$ -	\$ 77,535	\$ 3,487	\$ 74,048	\$ 10,559
Accrued Compensated Absences	<u>65,543</u>	<u>6,931</u>	<u>-</u>	<u>72,474</u>	<u>7,247</u>
Total Noncurrent Liabilities	<u>\$ 65,543</u>	<u>\$ 84,466</u>	<u>\$ 3,487</u>	<u>\$ 146,522</u>	<u>\$ 17,806</u>

In May 2021, the City entered into a capital lease arrangement for the purchase of a Backhoe. The lease was for \$93,472 and requires monthly payments of \$1,182 and a final payment of \$31,582 including interest at a rate of 2.49% with payments starting September, 2021 through August, 2026.

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: LONG-TERM DEBT(Continued)

GOVERNMENTAL ACTIVITIES (Continued)

The City has capitalized assets of \$93,472 related to this lease, the lease payments have been equally distributed among the General, Electric and Water & Sewer Funds. Upon default, the lessor will have all rights and remedies available under applicable law. In addition, all lease payments may be declared due or become due during the fiscal year in which the event of default occurs, lessor may repossess the unit, lessor may cancel any extended warranty agreement on behalf of the lessee and receive the refund of the extended warranty agreement fees that were financed but had not received from the lessee as of the date of the event of default.

Scheduled payments on the lease are as follows:

<u>Year</u>	<u>General</u>	<u>Electric</u>	<u>Water & Sewer</u>	<u>Total</u>
2022	\$ 4,729	\$ 4,729	\$ 4,729	\$ 14,187
2023	4,729	4,729	4,729	14,187
2024	4,729	4,729	4,729	14,187
2025	4,729	4,729	4,729	14,187
2026	<u>13,286</u>	<u>13,286</u>	<u>13,286</u>	<u>39,858</u>
Total Future Min. Lease Pmts	32,202	32,202	32,202	96,606
Less: Interest at 2.489%	<u>(2,375)</u>	<u>(2,375)</u>	<u>(2,375)</u>	<u>(7,125)</u>
Net Present Value of Pmts	<u>\$ 29,827</u>	<u>\$ 29,827</u>	<u>\$ 29,827</u>	<u>\$ 89,481</u>

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Scheduled payments on the lease are as follows:

<u>Year</u>	<u>General</u>	<u>Electric</u>	<u>Water & Sewer</u>	<u>Total</u>
2022	\$ 7,558	\$ 7,558	\$ 7,558	\$ 22,674
2023	7,558	7,558	7,558	22,674
2024	7,558	7,558	7,558	22,674
2025	7,558	7,558	7,558	22,674
2026	<u>17,359</u>	<u>17,359</u>	<u>17,359</u>	<u>52,077</u>
Total Future Min. Lease Pmts	47,591	47,591	47,591	142,773
Less: Interest at 2.489%	<u>(3,370)</u>	<u>(3,370)</u>	<u>(3,370)</u>	<u>(10,110)</u>
Net Present Value of Pmts	<u>\$ 44,221</u>	<u>\$ 44,221</u>	<u>\$ 44,221</u>	<u>\$ 132,663</u>

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 6: PENSION PLANS

INTERNAL REVENUE CODE SECTION 457 PLAN

The City has established an Internal Revenue Code Section 457 Plan for the benefit of employees. A 457 plan allows an employee to contribute pretax dollars towards retirement. All amounts contributed are fully vested. The City has contributed \$105,500, or up to 5% of employee payroll, in the form of an employee match for the current fiscal year.

NOTE 7: FUND BALANCE/NET POSITION RESERVES/RESTRICTIONS

TAX SPENDING AND DEBT LIMITATIONS

On November 3, 1992, the voters of Colorado approved Amendment 1, commonly known as the TABOR Amendment, which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado, all local governments, and special districts.

The City's financial activity for the year ended December 31, 2018 will provide the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth. Subsequent to December 31, 1992, revenue in excess of the City's "spending limit" must be refunded unless voters approve the retaining of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases and new debt.

At a November 1997 election, the electors of the City authorized the City to collect, retain and expend the full amount of the revenues from all sources. This election authorized the spending of such revenues in each year without limitation under Article X, Section 20 of the Colorado Constitution.

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 7: FUND BALANCE/NET POSITION RESERVES/RESTRICTIONS (Continued)

TAX SPENDING AND DEBT LIMITATIONS (Continued)

TABOR is extremely complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance. The City's management believes it is in compliance with the TABOR amendment.

The Article requires an emergency reserve be set aside for 2021 in the amount of 3% or more of its fiscal year spending. At December 31, 2021, the City has reserved/restricted the following for emergencies:

General Fund	<u>\$ 125,500</u>
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OTHER COMMITMENTS AND RESTRICTIONS

The City has committed or restricted other funds as summarized in Note 3. The following table represents fund balance that was been committed for expenditures through adoption of the 2022 budget:

Committed for Subsequent Year's Expenditures:	
Conservation Trust (included in Restricted)	\$ 1,466

In the case of the Conservation Trust Fund, as all amounts are restricted by statute, the amount shown above represents that amount of restricted equity anticipated to be used during 2022.

NOTE 8: COMMITMENTS AND CONTINGENCIES

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of the City, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2021.

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 9: RISK MANAGEMENT

The City of Burlington, Colorado carries insurance coverage for all foreseeable risks of loss. These include, but are not necessarily limited to, worker's compensation, property and liability, bond, and errors and omissions.

The City of Burlington, Colorado carries property, liability and bond coverage through Colorado Intergovernmental Risk Sharing Agency (CIRSA). Premiums are based on prior claims, as adjusted through various worker classifications. Risk of loss is transferred to CIRSA.

The City workers' compensation insurance through Pinnacol Assurance. Risk of loss is transferred to Pinnacol.

The City has not materially changed its coverage from previous years. Based on the lack of previous loss occurrences, the City has not recorded any liability for unpaid claims at December 31, 2021.

NOTE 10: TRANSFERS

The City made the following routine transfers:

	Transfers In	Transfers Out
Electric Fund	\$ -	\$ 89,580
Water and Sewer Fund	-	35,604
Airport Fund	68,063	-
Tourism Promotional Fund	68,063	-
Solid Waste Fund	-	10,942
Net Transfers	<u>\$ 136,126</u>	<u>\$ 136,126</u>

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BURLINGTON

BUDGETARY COMPARISON SCHEDULE**General Fund**

FOR THE YEAR ENDED DECEMBER 31, 2021

With Comparative Totals for the Year Ended December 31, 2020

	2021			
	Original & Final		Variance With Final	2020
	Budget	Actual	Budget	Actual
REVENUES				
Taxes				
Property Taxes	\$ 362,818	\$ 361,710	\$ (1,108)	\$ 361,065
Specific Ownership Taxes	40,000	32,993	(7,007)	37,679
Sales and Use Taxes	1,400,150	1,629,861	229,711	1,528,535
Franchise Taxes	65,000	64,603	(397)	40,131
Other Taxes	6,600	6,859	259	4,523
Total Tax Revenue	<u>1,874,568</u>	<u>2,096,026</u>	<u>221,458</u>	<u>1,971,933</u>
Intergovernmental Revenues				
Cigarette Taxes	6,900	9,093	2,193	8,308
Highway Users	121,109	140,304	19,195	117,602
Road and Bridge	190,000	197,060	7,060	197,783
Clerk/Motor Vehicle Fees	-	3,220	3,220	1,097
Severance Tax	3,600	354	(3,246)	1,622
Federal Grants	249,552	273,992	24,440	125,891
State Grants	38,404	11,903	(26,501)	7,679
Total Intergovernmental Revenue	<u>609,565</u>	<u>635,926</u>	<u>26,361</u>	<u>459,982</u>
Licenses and Permits				
Liquor Licenses	2,500	2,783	283	2,829
Building Permits	4,000	6,037	2,037	3,503
Animal Licenses	1,000	790	(210)	1,040
Other Licenses	250	500	250	250
Total Licenses and Permits	<u>7,750</u>	<u>10,110</u>	<u>2,360</u>	<u>7,622</u>
Fines and Forfeits				
	<u>14,500</u>	<u>16,363</u>	<u>1,863</u>	<u>10,934</u>
Charges for Services				
Recreation/Comm Ctr/Library Charges	120,000	136,516	16,516	57,192
Rents	18,300	18,400	100	18,300
Other Charges for Services	664,620	665,888	1,268	701,123
Total Charges for Services	<u>802,920</u>	<u>820,804</u>	<u>17,884</u>	<u>776,615</u>
Investment Earnings				
	<u>2,500</u>	<u>2,285</u>	<u>(215)</u>	<u>3,342</u>
Other Revenues				
Reimbursements and Refunds	18,500	22,675	4,175	19,939
Donations	5,000	7,877	2,877	5,529
Sale of Capital Assets	-	-	-	420
Other Miscellaneous Revenue	2,500	24,395	21,895	11,787
Total Other Revenue	<u>26,000</u>	<u>54,947</u>	<u>28,947</u>	<u>37,675</u>
TOTAL REVENUES	<u>3,337,803</u>	<u>3,636,461</u>	<u>298,658</u>	<u>3,268,103</u>

See accompanying Independent Auditors' Report.

(Continued)

CITY OF BURLINGTON

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2021

With Comparative Totals for the Year Ended December 31, 2020

	2021			2020 Actual
	Original & Final Budget	Actual	Variance With Final Budget	
(Continued)				
EXPENDITURES				
General Government				
Personnel Services	380,613	378,052	2,561	392,090
Contract labor	190,825	110,284	80,541	113,689
Fuel and Automotive	60	-	60	32
Insurance	134,845	135,549	(704)	154,516
Professional Fees	79,050	82,666	(3,616)	77,507
Repairs and Maintenance	4,700	1,706	2,994	11,739
Supplies	18,125	24,044	(5,919)	19,911
Telephone and Utilities	17,700	18,130	(430)	16,415
Travel and Training	17,855	5,423	12,432	3,530
Other Expenses	91,850	77,183	14,667	96,488
Total General Government	935,623	833,037	102,586	885,917
Public Safety				
Personnel Services	623,394	527,251	96,143	439,202
Fuel and Automotive	15,000	14,069	931	6,654
Insurance	1,000	-	1,000	-
Professional Fees	52,750	51,311	1,439	50,643
Repairs and Maintenance	20,000	9,386	10,614	8,702
Supplies	78,100	63,360	14,740	15,501
Telephone and Utilities	25,300	26,542	(1,242)	26,215
Travel and Training	88,622	15,594	73,028	20,790
Other Expenses	56,455	49,131	7,324	74,464
Total Public Safety	960,621	756,644	203,977	642,171
Public Works				
Personnel Services	230,950	233,033	(2,083)	227,710
Fuel and Automotive	4,000	5,035	(1,035)	2,788
Insurance	-	2,000	(2,000)	-
Professional Fees	10,250	6,121	4,129	5,317
Repairs and Maintenance	101,000	114,373	(13,373)	103,963
Supplies	3,910	2,346	1,564	15,746
Telephone and Utilities	4,500	5,454	(954)	4,532
Travel and Training	250	-	250	-
Other Expenses	2,925	2,487	438	2,451
Total Public Works/Comm Devel	357,785	370,849	(13,064)	362,507
Parks, Recreation and Other				
Personnel Services	613,544	607,212	6,332	525,763
Fuel and Automotive	4,000	7,156	(3,156)	3,048
Professional Fees	5,645	2,630	3,015	3,596
Repairs and Maintenance	33,250	34,638	(1,388)	44,253
Supplies	51,845	70,208	(18,363)	26,897
Telephone and Utilities	73,650	82,465	(8,815)	73,886
Travel and Training	2,250	1,010	1,240	415
Other Expenses	84,320	90,044	(5,724)	64,676
Total Parks, Recreation & Other	868,504	895,363	(26,859)	742,534

See accompanying Independent Auditors' Report.

CITY OF BURLINGTON

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2021

With Comparative Totals for the Year Ended December 31, 2020

	2021			2020 Actual
	Original & Final Budget	Actual	Variance With Final Budget	
(Continued)				
Capital Outlay				
General Government Capital Outlay	-	-	-	78,333
Public Safety Capital Outlay	39,404	64,096	(24,692)	37,777
Public Works Capital Outlay	116,000	83,082	32,918	-
Parks, Recreation and Other Capital Outlay	25,995	150,988	(124,993)	6,430
Total Capital Outlay	<u>181,399</u>	<u>298,166</u>	<u>(116,767)</u>	<u>122,540</u>
Debt Service				
Principal	-	1,576	(1,576)	-
Interest	-	2,519	(2,519)	-
Total Debt Service	<u>-</u>	<u>4,095</u>	<u>(4,095)</u>	<u>-</u>
TOTAL EXPENDITURES	<u>3,303,932</u>	<u>3,158,154</u>	<u>145,778</u>	<u>2,755,669</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	33,871	478,307	444,436	512,434
OTHER FINANCING SOURCES (USES)				
Debt Proceeds	-	77,535	77,535	-
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ 33,871</u>	<u>555,842</u>	<u>\$ 521,971</u>	<u>512,434</u>
Budget to GAAP Basis Reconciliation				
Debt Proceeds		77,535		-
Capital Outlay		(77,535)		-
NET CHANGE IN FUND BALANCE - GAAP BASIS		<u>555,842</u>		<u>512,434</u>
FUND BALANCE, BEGINNING		<u>724,742</u>		<u>212,308</u>
FUND BALANCE, ENDING		<u>\$ 1,280,584</u>		<u>\$ 724,742</u>

See accompanying Independent Auditors' Report.

CITY OF BURLINGTON

BUDGETARY COMPARISON SCHEDULE**Tourism Promotion Fund**

FOR THE YEAR ENDED DECEMBER 31, 2021

With Comparative Totals for the Year Ended December 31, 2020

	2021				2020 Actual
	Original Budget	Final Budget	Actual	Variance With Final Budget	
REVENUES					
Taxes					
Other Taxes	\$ 216,100	\$ 216,100	\$ 224,373	\$ 8,273	222,372
Intergovernmental Revenues					
Federal Grants	-	37,883	37,883	-	427
Charges for Services					
Recreation/Comm Ctr/Library Charges	293,500	293,500	399,719	106,219	293,546
Sales of Goods	425	425	649	224	(202)
Rents	15,104	15,104	15,184	80	15,863
Total Charges for Services	309,029	309,029	415,552	106,523	309,207
Other Revenues					
Donations	12,500	12,500	32,214	19,714	26,480
Sale of Capital Assets	-	-	-	-	2,000
Total Other Revenue	12,500	12,500	32,214	19,714	28,480
TOTAL REVENUES	537,629	575,512	710,022	134,510	560,486
EXPENDITURES					
General Government					
Contract labor	600	600	616	(16)	551
Professional Fees	9,600	9,600	9,600	-	9,600
Repairs and Maintenance	2,500	7,500	7,850	(350)	532
Telephone and Utilities	5,400	6,750	6,724	26	5,855
Total General Government	18,100	24,450	24,790	(340)	16,538
Public Works					
Parks, Recreation and Other					
Personnel Services	254,443	256,143	245,053	11,090	227,278
Fuel and Automotive	810	810	739	71	680
Professional Fees	74,450	74,463	90,562	(16,099)	76,827
Repairs and Maintenance	27,700	32,700	35,911	(3,211)	63,662
Supplies	63,925	63,925	88,112	(24,187)	86,681
Telephone and Utilities	47,950	50,100	49,218	882	40,913
Travel and Training	2,800	2,800	2,199	601	3,312
Other Expenses	77,513	116,683	96,120	20,563	84,328
Total Parks, Recreation & Other	549,591	597,624	607,914	(10,290)	583,681
Capital Outlay					
Parks, Recreation and Other Capital Outlay	38,000	59,534	47,965	11,569	-
Contingency Reserve					
	-	-	-	-	-
TOTAL EXPENDITURES	605,691	681,608	680,669	939	600,219
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(68,062)	(106,096)	29,353	135,449	(39,733)
OTHER FINANCING SOURCES (USES)					
Transfers In	(68,063)	68,063	68,063	-	80,000
NET CHANGE IN FUND BALANCE - BUDGET BASIS	\$ (136,125)	\$ (38,033)	97,416	\$ 135,449	40,267
FUND BALANCE, BEGINNING			47,527		7,260
FUND BALANCE, ENDING			\$ 144,943		\$ 47,527

See accompanying Independent Auditors' Report.

CITY OF BURLINGTON

BUDGETARY COMPARISON SCHEDULE

Conservation Trust Fund

FOR THE YEAR ENDED DECEMBER 31, 2021

With Comparative Totals for the Year Ended December 31, 2020

	2021				2020 Actual
	Original Budget	Final Budget	Actual	Variance With Final Budget	
REVENUES					
Intergovernmental Revenues					
Conservation Trust Fund	\$ 40,000	\$ 40,000	\$ 38,525	\$ (1,475)	\$ 32,944
Federal Grants	-	5,118	-	(5,118)	-
Total Intergovernmental Revenue	40,000	45,118	38,525	(6,593)	32,944
Investment Earnings	65	65	26	(39)	48
TOTAL REVENUES	<u>40,065</u>	<u>45,183</u>	<u>38,551</u>	<u>(6,632)</u>	<u>32,992</u>
EXPENDITURES					
Parks, Recreation and Other					
Repairs and Maintenance	36	5,154	46	5,108	21,286
Parks, Recreation and Other Capital Outlay	41,495	41,495	32,651	8,844	7,809
TOTAL EXPENDITURES	<u>41,531</u>	<u>46,649</u>	<u>32,697</u>	<u>13,952</u>	<u>29,095</u>
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ (1,466)</u>	<u>\$ (1,466)</u>	5,854	<u>\$ 7,320</u>	3,897
FUND BALANCE, BEGINNING			263,198		259,301
FUND BALANCE, ENDING			<u>\$ 269,052</u>		<u>\$ 263,198</u>

See accompanying Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

CITY OF BURLINGTON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

BUDGET AND ACTUAL

Electric Fund

FOR THE YEAR ENDED DECEMBER 31, 2021

With Comparative Totals for the Year Ended December 31, 2020

	2021			2020 Actual
	Final Budget	Actual	Variance with Final Budget	
Operating Revenues				
Utility Charges	\$ 4,400,000	\$ 4,770,825	\$ 370,825	\$ 4,514,790
Other Charges for Services	60,000	43,516	(16,484)	22,227
Total Revenues	<u>4,460,000</u>	<u>4,814,341</u>	<u>354,341</u>	<u>4,537,017</u>
Operating Expenses				
Electric Production	2,978,613	3,070,001	(91,388)	2,581,447
Electric Distribution	376,877	480,585	(103,708)	324,428
Administration	557,310	571,477	(14,167)	566,883
Other Capital Outlay	370,314	156,625	213,689	8,640
Total Expenditures	<u>4,283,114</u>	<u>4,278,688</u>	<u>4,426</u>	<u>3,481,398</u>
Operating Income (Loss)	<u>176,886</u>	<u>535,653</u>	<u>358,767</u>	<u>1,055,619</u>
Other Income (Expense)				
Intergovernmental Revenue	1,500	1,500	-	19
Investment Earnings	7,500	4,425	(3,075)	4,639
Other Revenue	5,462,499	19,019	(5,443,480)	1,005
Debt Service	-	(4,096)	(4,096)	-
Gain (Loss) on Sale of Assets	-	-	-	210
Total Other Income (Expense)	<u>5,471,499</u>	<u>20,848</u>	<u>(5,450,651)</u>	<u>5,873</u>
Net Income (Loss) before Transfers	5,648,385	556,501	(5,091,884)	1,061,492
Transfers				
Transfers In/(Out)	<u>(89,580)</u>	<u>(89,580)</u>	<u>-</u>	<u>(260,000)</u>
Net Income (Loss), Budget Basis	<u>5,558,805</u>	<u>466,921</u>	<u>(5,091,884)</u>	<u>801,492</u>
Contributed Capital				
Plant Investment Fees	10,000	-	(10,000)	16,250
Other Capital Contributions	-	-	-	(29,900)
Total Contributed Capital	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>	<u>(13,650)</u>
Change in Net Position (Budget Basis)	<u>\$ 5,568,805</u>	<u>466,921</u>	<u>\$ (5,101,884)</u>	<u>787,842</u>
Budget to GAAP Reconciliation				
Principal Paid		3,487		-
Depreciation Expense		(223,165)		(220,653)
Capital Outlay		156,625		2,320
Change in Net Position - GAAP Basis		403,868		569,509
Net Position, Beginning		<u>9,290,980</u>		<u>8,721,471</u>
Net Position, Ending		<u>\$ 9,694,848</u>		<u>\$ 9,290,980</u>

See accompanying Independent Auditors' Report.

CITY OF BURLINGTON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**BUDGET AND ACTUAL****Water & Sewer Fund**

FOR THE YEAR ENDED DECEMBER 31, 2021

With Comparative Totals for the Year Ended December 31, 2020

	2021			2020 Actual
	Final Budget	Actual	Variance with Final Budget	
Operating Revenues				
Utility Charges	\$ 1,751,404	\$ 1,808,434	\$ 57,030	\$ 1,775,912
Other Charges for Services	10,500	3,029	(7,471)	14,194
Total Revenues	<u>1,761,904</u>	<u>1,811,463</u>	<u>49,559</u>	<u>1,790,106</u>
Operating Expenses				
Water Treatment and Distribution	564,075	514,414	49,661	422,946
Sewer Collection and Treatment	229,765	202,278	27,487	226,477
Administration	253,236	258,893	(5,657)	285,565
Other Capital Outlay	<u>156,069</u>	<u>160,920</u>	<u>(4,851)</u>	<u>(4,000)</u>
Total Expenditures	<u>1,203,145</u>	<u>1,136,505</u>	<u>66,640</u>	<u>930,988</u>
Operating Income (Loss)	<u>558,759</u>	<u>674,958</u>	<u>116,199</u>	<u>859,118</u>
Other Income (Expense)				
Intergovernmental Revenue	2,000	2,000	-	19
Investment Earnings	6,300	3,641	(2,659)	5,956
Other Revenue	6,696,604	985	(6,695,619)	4,860
Debt Service	(305,082)	(370,962)	(65,880)	(353,298)
Gain (Loss) on Sale of Assets	-	-	-	210
Total Other Income (Expense)	<u>6,399,822</u>	<u>(364,336)</u>	<u>(6,764,158)</u>	<u>(342,253)</u>
Net Income (Loss) before Transfers	<u>6,958,581</u>	<u>310,622</u>	<u>(6,647,959)</u>	<u>516,865</u>
Transfers				
Transfers In/(Out)	<u>(35,604)</u>	<u>(35,604)</u>	<u>-</u>	<u>-</u>
Net Income (Loss), Budget Basis	<u>6,922,977</u>	<u>275,018</u>	<u>(6,647,959)</u>	<u>516,865</u>
Contributed Capital				
Plant Investment Fees	<u>11,000</u>	<u>15,000</u>	<u>4,000</u>	<u>10,950</u>
Change in Net Position (Budget Basis)	<u>\$ 6,933,977</u>	<u>290,018</u>	<u>\$ (6,643,959)</u>	<u>527,815</u>
Budget to GAAP Reconciliation				
Principal Paid		264,738		232,862
Depreciation Expense		(265,231)		(263,045)
Capital Outlay		<u>160,920</u>		<u>(4,000)</u>
Change in Net Position - GAAP Basis		<u>450,445</u>		<u>493,632</u>
Net Position, Beginning		<u>7,840,325</u>		<u>7,346,693</u>
Net Position, Ending		<u>\$ 8,290,770</u>		<u>\$ 7,840,325</u>

See accompanying Independent Auditors' Report.

CITY OF BURLINGTON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

BUDGET AND ACTUAL

Solid Waste Fund

FOR THE YEAR ENDED DECEMBER 31, 2021

With Comparative Totals for the Year Ended December 31, 2020

	2021			2020 Actual
	Final Budget	Actual	Variance with Final Budget	
Operating Revenues				
Utility Charges	\$ 547,000	\$ 550,800	\$ 3,800	\$ 541,505
Operating Expenses				
Solid Waste Collection	558,750	552,817	5,933	538,610
Operating Income (Loss)	(11,750)	(2,017)	9,733	2,895
Other Income (Expense)				
Investment Earnings	100	12	(88)	16
Net Income (Loss) before Transfers	(11,650)	(2,005)	9,645	2,911
Transfers In/(Out)	(10,942)	(10,942)	-	-
Change in Net Position (Budget Basis)	<u>\$ (22,592)</u>	<u>(12,947)</u>	<u>\$ 9,645</u>	2,911
Net Position, Beginning		73,166		70,255
Net Position, Ending		<u>\$ 60,219</u>		<u>\$ 73,166</u>

See accompanying Independent Auditors' Report.

CITY OF BURLINGTON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

BUDGET AND ACTUAL

Airport Fund

FOR THE YEAR ENDED DECEMBER 31, 2021

With Comparative Totals for the Year Ended December 31, 2020

	2021		Variance with Final Budget	2020 Actual
	Final Budget	Actual		
Operating Revenues				
Airport Charges	\$ 257,370	\$ 375,912	\$ 118,542	\$ 201,893
Other Charges for Services	28,171	12,745	(15,426)	29,231
Total Revenues	<u>285,541</u>	<u>388,657</u>	<u>103,116</u>	<u>231,124</u>
Operating Expenses				
Airport	466,841	472,238	(5,397)	282,229
Administration	100	70	30	105
Other Capital Outlay	341,049	335,249	5,800	987,740
Total Expenditures	<u>807,990</u>	<u>807,557</u>	<u>433</u>	<u>1,270,074</u>
Operating Income (Loss)	<u>(522,449)</u>	<u>(418,900)</u>	<u>103,549</u>	<u>(1,038,950)</u>
Other Income (Expense)				
Intergovernmental Revenue	85,951	85,951	-	-
Investment Earnings	100	46	(54)	63
Other Revenue	57,445	-	(57,445)	-
Gain (Loss) on Sale of Assets	-	-	-	336
Total Other Income (Expense)	<u>143,496</u>	<u>85,997</u>	<u>(57,499)</u>	<u>399</u>
Net Income (Loss) before Transfers	<u>(378,953)</u>	<u>(332,903)</u>	<u>46,050</u>	<u>(1,038,551)</u>
Transfers				
Transfers In/(Out)	68,063	68,063	-	180,000
Contributed Capital				
Intergovernmental Revenue	<u>250,000</u>	<u>220,363</u>	<u>(29,637)</u>	<u>964,285</u>
Change in Net Position (Budget Basis)	<u>\$ (60,890)</u>	<u>(44,477)</u>	<u>\$ 16,413</u>	<u>105,734</u>
Budget to GAAP Reconciliation				
Depreciation Expense		(304,871)		(288,546)
Capital Outlay		<u>335,249</u>		<u>928,113</u>
Change in Net Position - GAAP Basis		(14,099)		745,301
Net Position, Beginning		<u>4,451,397</u>		<u>3,706,096</u>
Net Position, Ending		<u>\$ 4,437,298</u>		<u>\$ 4,451,397</u>

See accompanying Independent Auditors' Report.

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STATE COMPLIANCE

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

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Burlington
		YEAR ENDING : December 2021
This Information From The Records Of City of Burlington, Colorado	Prepared By: Phone:	Lorraine Trotter, Prof'l Mgmt Solutions 303-910-9197

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	333,250
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	5,454
2. General fund appropriations	0	b. Snow and ice removal	88,682
3. Other local imposts (from page 2)	32,993	c. Other	
4. Miscellaneous local receipts (from page 2)	206,019	d. Total (a. through c.)	94,136
5. Transfers from toll facilities		4. General administration & miscellaneous	26,545
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	180,989
a. Bonds - Original Issues		6. Total (1 through 5)	634,920
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest & Costs of Issuance	
7. Total (1 through 6)	239,012	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	143,524	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	609
E. Total receipts (A.7 + B + C + D)	382,536	b. Redemption	3,487
		c. Total (a. + b.)	4,096
		3. Total (1.c + 2.c)	4,096
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	639,016

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)	0	77,535	3,487	74,048

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	382,536	639,016	(256,480)	0

Notes and Comments:

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	8,959
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	32,993	g. Other Misc. Receipts	
6. Total (1. through 5.)	32,993	h. Other County Road & Bridge Tax	197,060
c. Total (a. + b.)	32,993	i. Total (a. through h.)	206,019
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	140,304	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	3,220	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	3,220	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	143,524	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments: