

Town of Burlington

CONNECTICUT



ANNUAL TOWN REPORT

2020-2021

ANNUAL REPORT

FOR THE

TOWN OF BURLINGTON

CONNECTICUT

www.burlingtonct.us

FOR THE FISCAL YEAR ENDING

JUNE 30, 2021

TOWN OFFICERS, 06.30.2021

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JohnPeter Parente
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John Hebert
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ALTERNATES

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Eric Lindboe
Sonia Higley

ZONING BOARD OF APPEALS

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Earl Delano, III
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ZONING BOARD OF
APPEALS ALTERNATES

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Laurie Arel

TOWN OFFICERS, 06.30.2021

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Duncan J. Forsyth

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CONTROL AUTHORITY

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Paul Bystrak
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Eric Eggleston
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TOWN OFFICERS, 06.30.2021

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DOG WARDEN	Katherine Ierardi
SOLID WASTE COMMISSION	Robert Jorgenson, Chair Joseph Tom Werle Paul Bystrak
TREE WARDEN	Scott Tharau
EMERG OPS COORDINATOR	Ronald Roberts
EMERG OPS COORD, ASST	Barbara Walker Kathleen Zabel

TOWN OFFICERS, 06.30.2021

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John Hebert
Jackie Shadford
Richard Miller
Tom Finan
Tom Roberge
Mitchel Kvedar

REGIONAL SCHOOL DIST. #10

Paul Omichinski
Eleanor J. Parente
Brooke Joiner
Bruce Guillemette
Dean Cowger
Ania E. Stolarz

Executive Summary

- Financial Statement Audit
 - New Audit Firm,
CliftonLarsonAllen (CLA)
 - Unmodified opinion on the
basic financial statements
 - Control weaknesses, process
improvement opportunities identified
- State Single Audit
 - Unmodified opinion on major state
programs
 - No compliance findings or significant
deficiencies in internal control over
compliance reported

TOWN OF BURLINGTON
Management's Discussion and Analysis
June 30, 2021

As management of the Town of Burlington, CT, we offer readers of the Town of Burlington, CT's financial statements this narrative overview and analysis of the financial activities of the Town of Burlington, CT for the fiscal year ended June 30, 2021.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the Town of Burlington, CT exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$26,653,108 (*net position*). Of this amount, \$13,168,892 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. Restricted net position of \$1,145,496 is for various programs such as the substance abuse prevention program, small cities program, historic preservation, Food and Fuel Assistance, Recreation, Tavern Day and the dog fund.
- The government's total net position, which is determined using the full accrual basis of accounting, increased by \$1,495,779. The increase is primarily attributable to the collection of back taxes and the percentage of current year taxes collected remaining strong.
- As of the close of the current fiscal year, the Town of Burlington, CT's governmental funds reported combined ending fund balances of \$13,882,846, an increase of \$910,970 in comparison with the prior year. Of this amount, \$6,206,004 is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,206,064 or 16% percent of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Town of Burlington, CT's basic financial statements. The Town of Burlington, CT's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the 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 Town of Burlington, CT's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all the Town of Burlington, CT's assets, and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator whether the financial position of the Town of Burlington, CT is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position is 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 periods (e.g., earned but unused vacation leave).

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Both of the government-wide financial statements distinguish functions of the Town of Burlington, CT that are principally supported by 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 Town of Burlington, CT include education, public safety, general government, library, highway, sanitation, health and welfare, and recreation.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Burlington, CT, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Town of Burlington, CT can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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 governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Burlington, CT maintains twenty-two (22) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund.

The Town of Burlington, CT adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary Funds. The Town maintains two proprietary funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund and Operation of Senior Housing.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town of Burlington's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the 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.

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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 Town of Burlington, CT, assets exceeded liabilities by \$26,653,108 at the close of the most recent fiscal year.

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 17,767,574	\$ 15,705,985	\$ 201,374	\$ 178,533	\$ 17,968,948	\$ 15,884,518
Capital assets, net of accumulated depreciation	18,387,634	17,882,286	5,857	9,888	18,393,491	17,892,174
Total assets	<u>36,155,208</u>	<u>33,588,271</u>	<u>207,231</u>	<u>188,421</u>	<u>36,362,439</u>	<u>33,776,692</u>
Deferred outflows of resources	197,240	246,573			197,240	246,573
Current liabilities	3,172,759	2,139,469	24,490	25,631	3,197,249	2,165,100
Long-term liabilities outstanding	5,717,723	6,585,988			5,717,723	6,585,988
Total liabilities	<u>8,890,482</u>	<u>8,725,457</u>	<u>24,490</u>	<u>25,631</u>	<u>8,914,972</u>	<u>8,751,088</u>
Deferred inflows of resources	991,599	80,951			991,599	80,951
Net Position:						
Net investments in capital assets	12,332,863	11,429,219	5,857	9,888	12,338,720	11,439,107
Restricted	1,145,496	362,266			1,145,496	362,266
Unrestricted	<u>12,992,008</u>	<u>13,236,951</u>	<u>176,884</u>	<u>152,902</u>	<u>13,168,892</u>	<u>13,389,853</u>
Total Net Position	<u>\$ 26,470,367</u>	<u>\$ 25,028,436</u>	<u>\$ 182,741</u>	<u>\$ 162,790</u>	<u>\$ 26,653,108</u>	<u>\$ 25,191,226</u>

A portion of the Town of Burlington, CT's net position (1.7% percent) represents net position restricted for substance abuse prevention, small cities program, dog fund, Food and Fuel Assistance, Recreation and Tavern Day. The remaining balance of *unrestricted net position* (\$13,168,892) may be used to meet the government's ongoing obligations to citizen and creditors.

At the end of the current fiscal year, the Town of Burlington, CT is able to report positive balances in all categories of net position, for the government as a whole.

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	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 1,354,347	\$ 1,177,873	\$ 254,402	\$ 250,899	\$ 1,608,749	\$ 1,428,772
Operating grants and contributions	4,113,768	4,314,481			4,113,768	4,314,481
Capital grants and contributions	1,275,339	702,786			1,275,339	702,786
General revenues:						
Property taxes	32,208,726	31,727,046			32,208,726	31,727,046
Grants not restricted to specific programs	57,348	75,750			57,348	75,750
Unrestricted investment earnings	40,472	157,576	1,069	1,560	41,541	159,136
Miscellaneous revenue	224,119	106,850			224,119	106,850
Total revenues	39,274,119	38,262,362	255,471	252,459	39,529,590	38,514,821
Expenses:						
General government	3,008,432	2,939,149			3,008,432	2,939,149
Public safety	2,213,301	1,864,124			2,213,301	1,864,124
Public works	4,324,185	4,187,642			4,324,185	4,187,642
Recreation	236,949	268,042			236,949	268,042
Library	578,252	508,582			578,252	508,582
Human services	73,200	84,951			73,200	84,951
Education	27,216,700	27,216,159			27,216,700	27,216,159
Miscellaneous		61,276				61,276
Interest on long-term debt	217,272	178,602			217,272	178,602
Senior Housing			160,437	178,215	160,437	178,215
Water and Sewer System			5,083	4,492	5,083	4,492
Total expenses	37,868,291	37,308,527	165,520	182,707	38,033,811	37,491,234
Change in net position before transfers	1,405,828	953,835	89,951	69,752	1,495,779	1,023,587
Transfers	70,000	70,000	(70,000)	(70,000)	-	-
Change in net position	1,475,828	1,023,835	19,951	(248)	1,495,779	1,023,587
Net Position at Beginning of Year	25,028,436	24,004,601	162,790	163,038	25,191,226	24,167,639
Restatement	(33,897)				(33,897)	
Net Position, as Restated	24,994,539				25,157,329	
Net Position at End of Year	\$ 26,470,367	\$ 25,028,436	\$ 182,741	\$ 162,790	\$ 26,653,108	\$ 25,191,226

Governmental Activities. Governmental activities increased the Town of Burlington, CT's net position by \$1,475,828.

Major Revenue Factors Included:

- The collection of back taxes and percentage of current year taxes collected remained strong
- Accelerated payoffs of homeowner sewer assessments due to property sales
- Zoning and building permits increased due to new home construction, renovations, and accessory structures (decks sheds and pools)
- Conveyance taxes increased due to home and property sales

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Eighty-one percent (81%) of the revenues of the Town were derived from property taxes, followed by fourteen percent (14%) from grants and contributions, then four percent (4%) from charges for services and one percent (1%) of the Town's revenue in the fiscal year was derived from investment and other income.

Major Expense Factors Include:

- The cost of education is the largest percentage of expenditures
- Increased cost for third-party paramedic services due to increased demand for services and a decrease in volunteer availability
- Increase funding reserves for Bridge/Road projects and BVFD apparatus

For Governmental activities, 72% of the Town's expenses relate to education, 6% relate to public safety, 11% relate to public works/operations, and remaining 11% relates to government and community services, administration, and other area.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds. The focus of the Town of Burlington, CT's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town of Burlington, CT's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town of Burlington, CT's governmental funds reported combined ending fund balances of \$13,882,846, an increase of \$910,970 in comparison with the prior year. 44.70% of this total amount constitutes *unassigned fund balance*, which is available for spending at the government's discretion.

The General Fund is the chief operating fund of the Town of Burlington, CT. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$6,206,064. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 16% percent of total General Fund expenditures.

The fund balance of the Town of Burlington, CT's General Fund increased by \$881,077 during the current fiscal year. Key factors in this increase are as follows:

- Revenue exceeded estimates by a material amount
- Actual expenditures less than budgeted

GENERAL FUND BUDGETARY HIGHLIGHTS

- Revenue from property taxes remained strong and higher than budgeted
- There were no uses of surplus

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CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Town of Burlington, CT's investment in capital assets for its governmental and business-type activities as of June 30, 2021, amounts to \$18,387,634 (net of accumulated depreciation). This investment in capital assets includes land and buildings, vehicles, machinery and equipment.

Major capital asset events during the current fiscal year included the following:

- Expenditures associated with Jerome Ave project and Town bridge repairs
- Purchase of Public Works, Police Department, Senior Bus and Fire Department Vehicles
- Purchase of 4.14 acres on Library Lane
- Replacement of the Town Hall roof

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 3,916,941	\$ 3,516,941	\$	\$	\$ 3,916,941	\$ 3,516,941
Construction in progress	3,605,987	2,733,493			3,605,987	2,733,493
Buildings and improvements	6,355,506	6,813,777	3,997	4,356	6,359,503	6,818,133
Infrastructure	2,676,412	3,262,084			2,676,412	3,262,084
Land improvements	174,677	221,338	1,860	5,532	176,537	226,870
Machinery, equipment and vehic	136,544	124,600			136,544	124,600
Vehicles	1,521,567	1,210,053			1,521,567	1,210,053
Total	\$ 18,387,634	\$ 17,882,286	\$ 5,857	\$ 9,888	\$ 18,393,491	\$ 17,892,174

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Long-Term Debt. At the end of the current fiscal year, the Town of Burlington, CT had long-term debt outstanding of \$5,887,995.

		Governmental	
		Activities	
		2021	2020
General obligation bonds	\$	5,155,000	\$ 5,465,000
Sewer notes		732,995	843,577
	\$	<u>5,887,995</u>	<u>\$ 6,308,577</u>

The Town of Burlington, CT's total debt decreased by \$420,582 (6.67% percent) during the current fiscal year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The 2021/22 mill rate increased a tenth of a mill. This low mill increase was done in recognition of the impact of the current COVID pandemic on our citizens
- Education budget was slightly increased from FY21 to FY22
- The Town has confirmed a STEAP award of \$95,000 for the rehabilitation/replacement of the Foote Road Bridge
- A 50/50 Local Bridge Program Grant has been awarded for Covey Road Bridge and Main Street Bridge rehabilitation
- \$75,000 LOCIP grant to be used for road surface treatment
- The Town was awarded a grant under the American Rescue Plan Act (ARPA) in the amount of \$2.8 million. The town is expecting to receive the second half of the ARPA funds of \$1.4 million in FY22

All these factors were considered in preparing the Town of Burlington, CT's budget for the 2022 fiscal year.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Burlington, CT's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Board, Town of Burlington, 200 Spielman Highway, Burlington, CT 06013.

REPORT OF THE SUPERINTENDENT OF SCHOOLS
Regional School District # 10 – Board of Education
Dated December 2021

The Regional School District #10 Board of Education has fulfilled its obligations by maintaining the public elementary and secondary schools in the towns of Harwinton and Burlington as required and defined in section 10-4a of the Connecticut General Statutes.

The Board adopted the following long-term goals (4/5/2021):

Student success will be considered as a guiding principle by the Board in setting goals and policies.

- Goal** The Board of Education shall ensure Region 10 is a safe, welcoming, inclusive, and equitable school community.
- Goal** The Board of Education shall demonstrate fiscal responsibility and will develop long-term strategies, which optimize how we use District resources.
- Goal** The Board of Education shall drive continuous academic improvement for Region 10 students.

Serving as members of the Board of Education effective with December 2021:

Dean Cowger - Secretary
Cassandra Dubois
Thomas Fausel

Paul Omichinski - Treasurer
Scott Ragaglia - Vice Chairman
Zach Rankin

Scott Savelle
Matt Szydlo
John Vecchitto, Chairman
Melanie Willhelm

Region 10 Statistics – Budget

<u>2020-2021</u>		<u>2021-2022</u>	
\$ 41,910,113	(operating)	\$ 42,551,864	(operating)
\$ 2,002,031	(capital budget)	\$ 2,011,056	(capital budget)

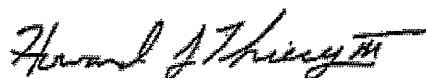
Proportionate Share of Budget Provided by Local Communities Source: Local Taxes and State Grants

<u>2020-2021</u>			<u>2021-2022</u>		
Harwinton	\$ 13,643,630	33.39%	Harwinton	\$ 14,047,688	33.72%
Burlington	\$ 27,216,160	66.61%	Burlington	\$ 27,612,122	66.28%

Enrollment

<u>School</u>	<u>October 1, 2020</u>	<u>October 1, 2021</u>
Harwinton Consolidated School (Gr. PreK-4)	357	372
Lake Garda School (Gr. PreK-4)	409	424
Har-Bur Middle School (Gr. 5-8)	710	691
Lewis S. Mills High School (Gr. 9-12)	703	668
Total	2179	2155

Respectfully submitted,



Howard Thiery
Superintendent of Schools

