

TOWN OF BURLINGTON, CONNECTICUT

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2022



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**TOWN OF BURLINGTON, CONNECTICUT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

FINANCIAL SECTION

| | |
|---|----------|
| INDEPENDENT AUDITORS' REPORT | 1 |
| MANAGEMENT'S DISCUSSION AND ANALYSIS | 4 |

BASIC FINANCIAL STATEMENTS

EXHIBITS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

| | | |
|----------------------------------|-----------|-----------|
| STATEMENT OF NET POSITION | I | 12 |
| STATEMENT OF ACTIVITIES | II | 13 |

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

| | | |
|--|------------|-----------|
| BALANCE SHEET | III | 14 |
| STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES | IV | 16 |

PROPRIETARY FUND

| | | |
|---|------------|-----------|
| STATEMENT OF NET POSITION | V | 18 |
| STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION | VI | 19 |
| STATEMENT OF CASH FLOWS | VII | 20 |

FIDUCIARY FUNDS

| | | |
|---|-------------|-----------|
| STATEMENT OF NET POSITION | VIII | 21 |
| STATEMENT OF CHANGES IN NET POSITION | IX | 22 |

| | |
|--------------------------------------|-----------|
| NOTES TO FINANCIAL STATEMENTS | 23 |
|--------------------------------------|-----------|

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND

| | | |
|--|--------------|-----------|
| SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES – BUDGET AND ACTUAL | RSI-1 | 62 |
| SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES – BUDGET AND ACTUAL | RSI-2 | 63 |

**TOWN OF BURLINGTON, CONNECTICUT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

PENSION FUNDS

| | | |
|---|-------|----|
| SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS – EMPLOYEES PENSION PLAN | RSI-3 | 66 |
| SCHEDULE OF EMPLOYER CONTRIBUTIONS – EMPLOYEES PENSION PLAN | RSI-4 | 67 |
| SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS – CONSTABLES PENSION PLAN | RSI-5 | 68 |
| SCHEDULE OF EMPLOYER CONTRIBUTIONS – CONSTABLES PENSION PLAN | RSI-6 | 69 |
| SCHEDULE OF INVESTMENT RETURNS – PENSION PLAN | RSI-7 | 70 |
| SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS – OTHER POSTEMPLOYMENT BENEFITS PLAN | RSI-8 | 71 |

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

| | | |
|--|-----|----|
| COMBINING BALANCE SHEET | A-1 | 73 |
| COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE | A-2 | 74 |

NONMAJOR GOVERNMENTAL FUNDS

| | | |
|--|-----|----|
| COMBINING BALANCE SHEET | B-1 | 75 |
| COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES | B-2 | 78 |

NONMAJOR ENTERPRISE FUNDS

| | | |
|--|-----|----|
| COMBINING STATEMENT OF NET POSITION – PROPRIETARY FUNDS | C-1 | 81 |
| COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS | C-2 | 82 |
| COMBINING STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS | C-3 | 83 |

OTHER SCHEDULES

| | | |
|--|---|----|
| SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED, AND OUTSTANDING | 1 | 84 |
|--|---|----|

**TOWN OF BURLINGTON, CONNECTICUT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

| | | |
|---|----------|-----------|
| SCHEDULES OF SEWER USE AND SEWER ASSESSMENTS | 2 | 85 |
| SCHEDULE OF DEBT LIMITATION | 3 | 86 |

STATISTICAL SECTION

TABLES

| | | |
|--|----------|-----------|
| COMPARATIVE ASSESSED VALUATIONS | 1 | 88 |
| PRINCIPAL TAXPAYERS | 2 | 89 |
| PROPERTY TAX RATES, LEVIES, AND COLLECTIONS | 3 | 90 |
| DEBT STATEMENT | 4 | 91 |
| CURRENT DEBT RATIOS | 5 | 92 |

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Finance
Town of Burlington, Connecticut

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Burlington, Connecticut, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Burlington, Connecticut'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 Town of Burlington, Connecticut, as of June 30, 2022, 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 Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Burlington, Connecticut and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 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 the Town of Burlington, Connecticut'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' Responsibilities 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 auditors' 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 GAAS and *Government 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 GAAS and *Government 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 a 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 Town of Burlington, Connecticut'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 about Town of Burlington, Connecticut'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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 Town of Burlington, Connecticut's basic financial statements. The accompanying supplementary information such as the combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

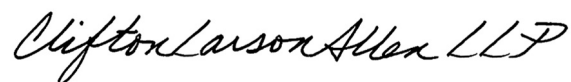
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical tables but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2022, on our consideration of the Town of Burlington, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Burlington, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Burlington, Connecticut's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

West Hartford, Connecticut
November 15, 2022

**TOWN OF BURLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

As management of the Town of Burlington, Connecticut, we offer readers of the Town of Burlington, Connecticut's financial statements this narrative overview and analysis of the financial activities of the Town of Burlington, Connecticut for the fiscal year ended June 30, 2022.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the Town of Burlington, Connecticut exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$27,352,873 (*net position*). Of this amount, \$15,361,064 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. Restricted net position of \$176,203 is for Grants, Programs, and Housing Rehabilitation Loan Program.
- The government's total net position, which is determined using the full accrual basis of accounting, increased by \$699,765. The increase is primarily attributable to the percentage of current year taxes collected remaining strong and the collection of back taxes.
- As of the close of the current fiscal year, the Town of Burlington, Connecticut's governmental funds reported combined ending fund balances of \$15,743,763, an increase of \$1,860,917 in comparison with the prior year. Of this amount, \$7,132,267 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 \$7,132,267 or 19% 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, Connecticut's basic financial statements. The Town of Burlington, Connecticut'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, Connecticut's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all the Town of Burlington, Connecticut'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, Connecticut 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).

**TOWN OF BURLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Both of the government-wide financial statements distinguish functions of the Town of Burlington, Connecticut 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, Connecticut include education, public safety, general government, library, highway, sanitation, health and welfare, and recreation.

The government-wide financial statements can be found on pages 17-18 of the town's financial statements.

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, Connecticut, 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, Connecticut 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, Connecticut maintains twenty-two 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, Connecticut 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.

The basic governmental fund financial statements can be found on pages 19-22 of the town's financial statements.

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.

The basic proprietary fund financial statements can be found on pages 23-25 of the town's financial statements.

**TOWN OF BURLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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.

The basic fiduciary fund financial statements can be found on pages 26-27 of the town's financial statements.

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. The notes to the financial statements can be found on pages 28-67 of the town's financial statements.

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, Connecticut, assets exceeded liabilities by \$27,352,873 at the close of the most recent fiscal year.

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|----------------------------|---------------|-----------------------------|------------|---------------|---------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Current Assets | \$ 19,255,366 | \$ 17,767,574 | \$ 169,967 | \$ 201,374 | \$ 19,425,333 | \$ 17,968,948 |
| Capital Assets, Net of Accumulated Depreciation | 17,381,374 | 18,387,634 | 1,826 | 5,857 | 17,383,200 | 18,393,491 |
| Total Assets | 36,636,740 | 36,155,208 | 171,793 | 207,231 | 36,808,533 | 36,362,439 |
| Deferred Outflows of Resources | 333,916 | 197,240 | - | - | 333,916 | 197,240 |
| Current Liabilities | 3,043,064 | 3,172,759 | 28,404 | 24,490 | 3,071,468 | 3,197,249 |
| Long-Term Liabilities Outstanding | 6,031,696 | 5,717,723 | - | - | 6,031,696 | 5,717,723 |
| Total Liabilities | 9,074,760 | 8,890,482 | 28,404 | 24,490 | 9,103,164 | 8,914,972 |
| Deferred Inflows of Resources | 686,412 | 991,599 | - | - | 686,412 | 991,599 |
| Net Position: | | | | | | |
| Net Investments in Capital Assets | 11,813,780 | 12,332,863 | 1,826 | 5,857 | 11,815,606 | 12,338,720 |
| Restricted | 176,203 | 1,145,496 | - | - | 176,203 | 1,145,496 |
| Unrestricted | 15,219,501 | 12,992,008 | 141,563 | 176,884 | 15,361,064 | 13,168,892 |
| Total Net Position | \$ 27,209,484 | \$ 26,470,367 | \$ 143,389 | \$ 182,741 | \$ 27,352,873 | \$ 26,653,108 |

A portion of the Town of Burlington, Connecticut's net position, 1.2%, represents net position restricted for Grants, Programs, and Housing Rehabilitation Loan Program. The remaining balance of *unrestricted net position*, \$15,361,064 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, Connecticut is able to report positive balances in all categories of net position, for the government as a whole.

**TOWN OF BURLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|----------------------------|----------------------|-----------------------------|-------------------|----------------------|----------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 1,550,190 | \$ 1,354,347 | \$ 257,291 | \$ 254,402 | \$ 1,807,481 | \$ 1,608,749 |
| Operating Grants and Contributions | 4,249,986 | 4,113,768 | - | - | 4,249,986 | 4,113,768 |
| Capital Grants and Contributions | 441,797 | 1,275,339 | - | - | 441,797 | 1,275,339 |
| General Revenues: | | | | | | |
| Property Taxes | 33,110,154 | 32,208,726 | - | - | 33,110,154 | 32,208,726 |
| Grants not Restricted to Specific Programs | 76,172 | 57,348 | - | - | 76,172 | 57,348 |
| Unrestricted Investment Earnings | 21,738 | 40,472 | 706 | 1,069 | 22,444 | 41,541 |
| Miscellaneous Revenue | 149,248 | 224,119 | - | - | 149,248 | 224,119 |
| Total Revenues | <u>39,599,285</u> | <u>39,274,119</u> | <u>257,997</u> | <u>255,471</u> | <u>39,857,282</u> | <u>39,529,590</u> |
| Expenses: | | | | | | |
| General Government | 2,981,316 | 3,008,432 | - | - | 2,981,316 | 3,008,432 |
| Public Safety | 2,185,990 | 2,213,301 | - | - | 2,185,990 | 2,213,301 |
| Public Works | 4,957,841 | 4,324,185 | - | - | 4,957,841 | 4,324,185 |
| Recreation | 370,152 | 236,949 | - | - | 370,152 | 236,949 |
| Library | 575,215 | 578,252 | - | - | 575,215 | 578,252 |
| Human Services | 98,601 | 73,200 | - | - | 98,601 | 73,200 |
| Education | 27,612,122 | 27,216,700 | - | - | 27,612,122 | 27,216,700 |
| Miscellaneous | - | - | - | - | - | - |
| Education | - | - | - | - | - | - |
| Interest on Long-Term Debt | 143,931 | 217,272 | - | - | 143,931 | 217,272 |
| Senior Housing | - | - | 227,255 | 160,437 | 227,255 | 160,437 |
| Water and Sewer System | - | - | 5,094 | 5,083 | 5,094 | 5,083 |
| Total Expenses | <u>38,925,168</u> | <u>37,868,291</u> | <u>232,349</u> | <u>165,520</u> | <u>39,157,517</u> | <u>38,033,811</u> |
| Change in Net Position Before Transfers | 674,117 | 1,405,828 | 25,648 | 89,951 | 699,765 | 1,495,779 |
| Transfers | 65,000 | 70,000 | (65,000) | (70,000) | - | - |
| Change in Net Position | <u>739,117</u> | <u>1,475,828</u> | <u>(39,352)</u> | <u>19,951</u> | <u>699,765</u> | <u>1,495,779</u> |
| Net Position - Beginning of Year | <u>26,470,367</u> | <u>24,994,539</u> | <u>182,741</u> | <u>162,790</u> | <u>26,653,108</u> | <u>25,157,329</u> |
| Net Position - End of Year | <u>\$ 27,209,484</u> | <u>\$ 26,470,367</u> | <u>\$ 143,389</u> | <u>\$ 182,741</u> | <u>\$ 27,352,873</u> | <u>\$ 26,653,108</u> |

Governmental Activities. Governmental activities increased the Town of Burlington, CT's net position by \$739,117.

Major Revenue Factors Included:

- The percentage of current year taxes collected remains strong along with the active collection of back taxes
- Zoning and building permits increased due to new home construction, renovations, and accessory structures (decks sheds and pools), supply chain pressures delayed many permits into this fiscal year
- Conveyance taxes remained stable due to home and property sales

83% of the revenues of the Town were derived from property taxes, followed by 12% from grants and contributions, then 4% from charges for services and 1% of the Town's revenue in the fiscal year was derived from investment and other income.

**TOWN OF BURLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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, Public Works and BVFD apparatus

For Governmental activities, 71% of the Town's expenses relate to education, 6% relate to public safety, 13% relate to public works/operations, and remaining 10% relates to government and community services, administration, and other area.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds. The focus of the Town of Burlington, Connecticut'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. *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, Connecticut's governmental funds reported combined ending fund balances of \$15,743,763, an increase of \$1,860,917 in comparison with the prior year. 45% 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, Connecticut. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$7,132,267. 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 19% percent of total General Fund expenditures.

The fund balance of the Town of Burlington, Connecticut's General Fund increased by \$1,128,624 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

**TOWN OF BURLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Town of Burlington, Connecticut's investment in capital assets for its governmental and business-type activities as of June 30, 2022, amounts to \$17,383,200 (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, vehicles, machinery, and equipment.

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

- Expenditures associated with reconstruction of town bridges
- Purchase of Public Works and Police Department vehicles

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------|----------------------------|----------------------|-----------------------------|-----------------|----------------------|----------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Land | \$ 3,916,941 | \$ 3,916,941 | \$ - | \$ - | \$ 3,916,941 | \$ 3,916,941 |
| Construction in Progress | 2,832,728 | 3,605,987 | - | - | 2,832,728 | 3,605,987 |
| Buildings and Improvements | 5,857,742 | 6,355,506 | 1,826 | 3,997 | 5,859,568 | 6,359,503 |
| Infrastructure | 3,197,406 | 2,676,412 | - | - | 3,197,406 | 2,676,412 |
| Land Improvements | 128,112 | 174,677 | - | 1,860 | 128,112 | 176,537 |
| Machinery and Equipment | 105,922 | 136,544 | - | - | 105,922 | 136,544 |
| Vehicles | 1,342,523 | 1,521,567 | - | - | 1,342,523 | 1,521,567 |
| Total | <u>\$ 17,381,374</u> | <u>\$ 18,387,634</u> | <u>\$ 1,826</u> | <u>\$ 5,857</u> | <u>\$ 17,383,200</u> | <u>\$ 18,393,491</u> |

Additional information on the Town of Burlington, Connecticut's capital assets can be found in Notes to Financial Statements D. Capital Assets on pages 46-47 of the town's financial statements.

Long-Term Debt. At the end of the current fiscal year, the Town of Burlington, Connecticut had long-term debt outstanding of \$6,127,534.

| | Governmental Activities | |
|--------------------------|----------------------------|---------------------|
| | 2022 | 2021 |
| General Obligation Bonds | \$ 4,845,000 | \$ 5,155,000 |
| Sewer Upgrade | 662,353 | |
| Sewer Notes | 620,181 | 732,995 |
| Total | <u>\$ 6,127,534</u> | <u>\$ 5,887,995</u> |

The Town of Burlington, Connecticut's total debt increased by \$239,539 or 4.1%, during the current fiscal year. Additional information on the Town of Burlington, Connecticut's long-term debt can be found in Notes to Financial Statements E. Long-Term Debt on pages 49-50 of the town's financial statements.

**TOWN OF BURLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The 2022/23 decrease in the mill rate is a result of an increase in the taxable grand list and a more stringent budgeting process
- Education budget was increased from FY22 to FY23
- LOTCIP grant for roadway reconstruction of George Washington Turnpike
- 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 received the second half of the ARPA funds of \$1.4 million in FY23
- All these factors were considered in preparing the Town of Burlington, Connecticut's budget for the 2023 fiscal year.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Burlington, Connecticut'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.

BASIC FINANCIAL STATEMENTS

TOWN OF BURLINGTON, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2022

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|---------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 17,122,333 | \$ 70,606 | \$ 17,192,939 |
| Investments | 686,985 | 98,545 | 785,530 |
| Receivables | 1,445,035 | 1,829 | 1,446,864 |
| Internal Balances | 1,013 | (1,013) | - |
| Capital Assets, Nondepreciable | 6,749,669 | - | 6,749,669 |
| Capital Assets, Net of Accumulated Depreciation | 10,631,705 | 1,826 | 10,633,531 |
| Total Assets | 36,636,740 | 171,793 | 36,808,533 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Outflows Related to Pension | 325,945 | - | 325,945 |
| Deferred Outflows Related to OPEB | 7,971 | - | 7,971 |
| Total Deferred Outflows of Resources | 333,916 | - | 333,916 |
| LIABILITIES | | | |
| Accounts Payable and Accrued Liabilities | 990,635 | 28,404 | 1,019,039 |
| Unearned Revenue | 1,443,426 | - | 1,443,426 |
| Noncurrent Liabilities: | | | |
| Due Within One Year | 609,003 | - | 609,003 |
| Due in More than One Year | 6,031,696 | - | 6,031,696 |
| Total Liabilities | 9,074,760 | 28,404 | 9,103,164 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Inflows Related to Pension | 34,398 | - | 34,398 |
| Deferred Inflows Related to OPEB | 73,249 | - | 73,249 |
| Lease Related | 578,765 | - | 578,765 |
| Total Deferred Inflows of Resources | 686,412 | - | 686,412 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 11,813,780 | 1,826 | 11,815,606 |
| Restricted for: | | | |
| Grants | 99,783 | - | 99,783 |
| Housing Rehabilitation Loan Program | 41,774 | - | 41,774 |
| Programs | 34,646 | - | 34,646 |
| Unrestricted | 15,219,501 | 141,563 | 15,361,064 |
| Total Net Position | \$ 27,209,484 | \$ 143,389 | \$ 27,352,873 |

See accompanying Notes to Financial Statements.

**TOWN OF BURLINGTON, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

| Function/Program Activities | Expenses | Program Revenues | | | Net Revenue (Expense) and Changes in Net Position | | |
|--|----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| PRIMARY GOVERNMENT | | | | | | | |
| Governmental Activities: | | | | | | | |
| General Government | \$ 2,981,316 | \$ 996,580 | \$ 232,579 | \$ - | \$ (1,752,157) | \$ - | \$ (1,752,157) |
| Public Safety | 2,185,990 | 547,758 | - | - | (1,638,232) | - | (1,638,232) |
| Public Works | 4,957,841 | - | - | 441,797 | (4,516,044) | - | (4,516,044) |
| Recreation | 370,152 | - | - | - | (370,152) | - | (370,152) |
| Library | 575,215 | - | - | - | (575,215) | - | (575,215) |
| Human Services | 98,601 | 5,852 | 22,139 | - | (70,610) | - | (70,610) |
| Education | 27,612,122 | - | 3,995,268 | - | (23,616,854) | - | (23,616,854) |
| Interest and Fiscal Charges | 143,931 | - | - | - | (143,931) | - | (143,931) |
| Total Governmental Activities | 38,925,168 | 1,550,190 | 4,249,986 | 441,797 | (32,683,195) | - | (32,683,195) |
| Business-Type Activities: | | | | | | | |
| Senior Housing Fund | 227,255 | 252,483 | - | - | - | 25,228 | 25,228 |
| Water Fund | 5,094 | 4,808 | - | - | - | (286) | (286) |
| Total Business-Type Activities | 232,349 | 257,291 | - | - | - | 24,942 | 24,942 |
| Total | <u>\$ 39,157,517</u> | <u>\$ 1,807,481</u> | <u>\$ 4,249,986</u> | <u>\$ 441,797</u> | <u>(32,683,195)</u> | <u>24,942</u> | <u>(32,658,253)</u> |
| GENERAL REVENUES | | | | | | | |
| Property Taxes | | | | | 33,110,154 | - | 33,110,154 |
| Grants and Contributions Not Restricted to Specific Programs | | | | | 76,172 | - | 76,172 |
| Unrestricted Investment Earnings | | | | | 21,738 | 706 | 22,444 |
| Miscellaneous | | | | | 149,248 | - | 149,248 |
| TRANSFERS | | | | | 65,000 | (65,000) | - |
| Total General Revenues and Transfers | | | | | <u>33,422,312</u> | <u>(64,294)</u> | <u>33,358,018</u> |
| CHANGE IN NET POSITION | | | | | | | |
| | | | | | 739,117 | (39,352) | 699,765 |
| Net Position - Beginning of Year | | | | | <u>26,470,367</u> | <u>182,741</u> | <u>26,653,108</u> |
| NET POSITION - END OF YEAR | | | | | | | |
| | | | | | <u>\$ 27,209,484</u> | <u>\$ 143,389</u> | <u>\$ 27,352,873</u> |

See accompanying Notes to Financial Statements.

**TOWN OF BURLINGTON, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

| | General Fund | American Rescue Plan Act Fund | Bridges & Road Repair Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|----------------------|-------------------------------------|----------------------------------|-----------------------------------|--------------------------------|
| ASSETS | | | | | |
| Cash and Cash Equivalents | \$ 9,848,753 | \$ 1,434,205 | \$ 1,916,650 | \$ 3,922,725 | \$ 17,122,333 |
| Investments | 686,985 | - | - | - | 686,985 |
| Receivables: | | | | | |
| Grants Receivable | 32,585 | - | - | - | 32,585 |
| Accounts Receivable | 113,115 | - | - | 183,364 | 296,479 |
| Property Taxes and Interest Receivable | 377,074 | - | - | - | 377,074 |
| Sewer Assessment and Interest Receivable | 154,364 | - | - | - | 154,364 |
| Lease Receivable | 584,533 | - | - | - | 584,533 |
| Interfund Receivables | 68,248 | - | 208,825 | 829,026 | 1,106,099 |
| Total Assets | <u>\$ 11,865,657</u> | <u>\$ 1,434,205</u> | <u>\$ 2,125,475</u> | <u>\$ 4,935,115</u> | <u>\$ 20,360,452</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Accounts Payable and Accrued Liabilities | \$ 697,958 | \$ - | \$ - | \$ 7,063 | \$ 705,021 |
| Due to State of Connecticut | 221,126 | - | - | - | 221,126 |
| Unearned Revenues | 9,906 | 1,432,768 | - | 752 | 1,443,426 |
| Interfund Payables | 1,037,851 | - | - | 67,235 | 1,105,086 |
| Total Liabilities | <u>1,966,841</u> | <u>1,432,768</u> | <u>-</u> | <u>75,050</u> | <u>3,474,659</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable Revenues - Property Taxes | 277,176 | - | - | - | 277,176 |
| Unavailable Revenues - Sewer Assessments | 102,725 | - | - | - | 102,725 |
| Unavailable Revenues - Loans | - | - | - | 183,364 | 183,364 |
| Lease Related | 578,765 | - | - | - | 578,765 |
| Total Deferred Inflows of Resources | <u>958,666</u> | <u>-</u> | <u>-</u> | <u>183,364</u> | <u>1,142,030</u> |
| FUND BALANCES | | | | | |
| Restricted | - | 1,437 | - | 174,766 | 176,203 |
| Committed | 689,333 | - | 2,125,475 | 4,501,935 | 7,316,743 |
| Assigned to: | | | | | |
| Subsequent Year's Budget | 231,411 | - | - | - | 231,411 |
| Other Purposes | 887,139 | - | - | - | 887,139 |
| Unassigned | 7,132,267 | - | - | - | 7,132,267 |
| Total Fund Balances | <u>8,940,150</u> | <u>1,437</u> | <u>2,125,475</u> | <u>4,676,701</u> | <u>15,743,763</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 11,865,657</u> | <u>\$ 1,434,205</u> | <u>\$ 2,125,475</u> | <u>\$ 4,935,115</u> | <u>\$ 20,360,452</u> |

See accompanying Notes to Financial Statements.

**TOWN OF BURLINGTON, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds (Exhibit III) \$ 15,743,763

Amounts reported for governmental activities in the statement of net position (Exhibit I) are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

| | |
|--------------------------------|--------------|
| Governmental Capital Assets | 53,662,460 |
| Less: Accumulated Depreciation | (36,281,086) |
| Net Capital Assets | 17,381,374 |

Other long-term assets and deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are deferred in the funds:

| | |
|--|---------|
| Property Tax Receivables Greater than 60 Days | 277,176 |
| Sewer Assessments Greater than 60 Days | 102,725 |
| Small Cities Loans Receivable Greater than 60 Days | 183,364 |
| Deferred Outflows Related to Pension | 325,945 |
| Deferred Outflows Related to OPEB | 7,971 |

Long-term liabilities and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds:

| | |
|--------------------------------------|-------------|
| Bonds Payable | (4,845,000) |
| Unamortized Premium on Bonds Payable | (102,413) |
| Net Pension Liability | (133,649) |
| Sewer Notes | (620,181) |
| Long Term Payable on Sewer Upgrade | (662,353) |
| Interest Payable on Bonds | (64,488) |
| Total OPEB Liability | (105,351) |
| Compensated Absences | (171,752) |
| Deferred Inflows Related to Pension | (34,398) |
| Deferred Inflows Related to OPEB | (73,249) |

| | |
|--|---------------|
| Net Position of Governmental Activities as Reported on the Statement of Net Position (Exhibit I) | \$ 27,209,484 |
|--|---------------|

TOWN OF BURLINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

| | General Fund | American Rescue Plan Act Fund | Bridges & Road Repair Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|---------------------|-------------------------------------|----------------------------------|-----------------------------------|--------------------------------|
| REVENUES | | | | | |
| Property Taxes | \$ 33,128,143 | \$ - | \$ - | \$ - | \$ 33,128,143 |
| Intergovernmental Revenues | 4,689,739 | 3,216 | - | 75,000 | 4,767,955 |
| Charges for Services | 1,384,347 | - | - | 267,080 | 1,651,427 |
| Investment Income | 15,718 | 1,437 | 1,430 | 3,153 | 21,738 |
| Contributions And Miscellaneous | 94,944 | - | - | 43,876 | 138,820 |
| Total Revenues | 39,312,891 | 4,653 | 1,430 | 389,109 | 39,708,083 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General Government | 2,723,336 | - | - | 201,170 | 2,924,506 |
| Public Safety | 1,617,042 | 3,216 | - | 51,790 | 1,672,048 |
| Highway | 2,254,839 | - | - | - | 2,254,839 |
| Sanitation | 1,169,168 | - | - | - | 1,169,168 |
| Health and Welfare | 76,969 | - | - | 21,632 | 98,601 |
| Library | 426,158 | - | - | - | 426,158 |
| Recreation | 259,267 | - | - | 110,885 | 370,152 |
| Education | 27,612,122 | - | - | - | 27,612,122 |
| Debt Service: | | | | | |
| Principal Payments | 422,814 | - | - | - | 422,814 |
| Interest and Fiscal Charges | 163,630 | - | - | - | 163,630 |
| Capital Outlay | 252,791 | - | 211,768 | 334,386 | 798,945 |
| Miscellaneous | 9,611 | - | - | - | 9,611 |
| Total Expenditures | 36,987,747 | 3,216 | 211,768 | 719,863 | 37,922,594 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 2,325,144 | 1,437 | (210,338) | (330,754) | 1,785,489 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Sale of Asset | - | - | - | 10,428 | 10,428 |
| Transfers In | 124,971 | - | 422,038 | 899,491 | 1,446,500 |
| Transfers Out | (1,321,491) | - | (6,175) | (53,834) | (1,381,500) |
| Total Other Financing Sources (Uses) | (1,196,520) | - | 415,863 | 856,085 | 75,428 |
| NET CHANGE IN FUND BALANCES | 1,128,624 | 1,437 | 205,525 | 525,331 | 1,860,917 |
| Fund Balances - Beginning of Year | 7,811,526 | - | 1,919,950 | 4,151,370 | 13,882,846 |
| FUND BALANCES - END OF YEAR | <u>\$ 8,940,150</u> | <u>\$ 1,437</u> | <u>\$ 2,125,475</u> | <u>\$ 4,676,701</u> | <u>\$ 15,743,763</u> |

See accompanying Notes to Financial Statements.

**TOWN OF BURLINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Governmental Funds (Exhibit IV) \$ 1,860,917

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because of the following:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

| | |
|----------------------|-------------|
| Capital Outlay | 586,484 |
| Depreciation Expense | (1,592,744) |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

| | |
|--|-----------|
| Property Taxes Collected After 60 Days | (17,989) |
| Sewer Collected After 60 Days | (101,237) |
| Change in Pension Asset | (693,329) |
| Deferred Outflows Related to Pension | 137,578 |
| Deferred Outflows Related to OPEB | (902) |

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

| | |
|---|-----------|
| Principal Payments on Bonds Payable | 310,000 |
| Principal Payments on Sewer Notes | 112,814 |
| Long Term Payable on Sewer Upgrade | (722,206) |
| Principal Payments Long Term Payable on Sewer Upgrade | 59,853 |

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

| | |
|---|-----------|
| Amortization of Premium | 13,306 |
| Accrued Interest | 6,393 |
| Change in Total OPEB Liability | 7,103 |
| Change in Long-Term Compensated Absences | 22,773 |
| Change in Net Pension Liability | (133,649) |
| Change in Deferred Inflows Related to Pension | 890,811 |
| Change in Deferred Inflows Related to OPEB | (6,859) |

| | |
|---|------------|
| Change in Net Position of Governmental Activities as Reported on the Statement of Activities (Exhibit II) | \$ 739,117 |
|---|------------|

**TOWN OF BURLINGTON, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2022**

| | Business-Type Activities Enterprise Funds |
|---|--|
| | <u>Nonmajor Funds</u> |
| ASSETS | |
| CURRENT ASSETS | |
| Cash and Cash Equivalents | \$ 70,606 |
| Investments | 98,545 |
| Receivables | <u>1,829</u> |
| Total Current Assets | 170,980 |
| NONCURRENT ASSETS | |
| Capital Assets, Net of Accumulated Depreciation | <u>1,826</u> |
| Total Noncurrent Assets | <u>1,826</u> |
| Total Assets | 172,806 |
| LIABILITIES | |
| CURRENT LIABILITIES | |
| Accounts Payable and Accrued Liabilities | 28,404 |
| Due to Other Funds | <u>1,013</u> |
| Total Current Liabilities | 29,417 |
| NET POSITION | |
| Net Investment in Capital Assets | 1,826 |
| Unrestricted | <u>141,563</u> |
| Total Net Position | <u>\$ 143,389</u> |

See accompanying Notes to Financial Statements.

TOWN OF BURLINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022

| | Business-Type Activities Enterprise Funds <u>Nonmajor Funds</u> |
|---|---|
| OPERATING REVENUES | |
| Rent | \$ 247,941 |
| Service Revenue | 4,542 |
| Water Charges for Services | 4,808 |
| Total Operating Revenues | <u>257,291</u> |
| OPERATING EXPENSES | |
| Water Purchased | 5,094 |
| Salaries and Benefits | 36,686 |
| Contractual and Purchased Services | 16,440 |
| Utilities | 66,426 |
| Repairs and Maintenance | 99,892 |
| Materials and Supplies | 2,111 |
| Administration | 1,669 |
| Depreciation | 4,031 |
| Total Operating Expenses | <u>232,349</u> |
| OPERATING INCOME | 24,942 |
| NONOPERATING REVENUES (EXPENSES) | |
| Income on Investments | <u>706</u> |
| INCOME BEFORE TRANSFERS | 25,648 |
| Transfers Out | <u>(65,000)</u> |
| CHANGE IN NET POSITION | (39,352) |
| Net Position - Beginning of Year | <u>182,741</u> |
| NET POSITION - END OF YEAR | <u><u>\$ 143,389</u></u> |

See accompanying Notes to Financial Statements.

**TOWN OF BURLINGTON, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022**

| | Business-Type Activities Enterprise Funds <u>Nonmajor Funds</u> |
|--|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Receipts from Customers and Users | \$ 257,087 |
| Payments to Suppliers | (187,718) |
| Payments to Employees | (36,686) |
| Payments for Interfund Services Used | (81) |
| Net Cash Provided by Operating Activities | <u>32,602</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Transfers Out to Other Funds | <u>(65,000)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| (Purchase) Sale of Investments | <u>(9,027)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest on Investments | <u>706</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (40,719) |
| Cash and Cash Equivalents at Beginning of Year | <u>111,325</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u><u>\$ 70,606</u></u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES | |
| Operating Income | \$ 24,942 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | |
| Depreciation | 4,031 |
| Change in Assets and Liabilities: | |
| (Increase) Decrease in Accounts Receivable | (204) |
| Increase (Decrease) in Accounts Payable and Accrued Items | 3,914 |
| (Increase) Decrease in Due from Other Funds | (81) |
| Total Adjustments | <u>7,660</u> |
| Net Cash Provided by Operating Activities | <u><u>\$ 32,602</u></u> |

See accompanying Notes to Financial Statements.

TOWN OF BURLINGTON, CONNECTICUT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

| | Pension Trust Fund | Private Purpose Trust Fund Collins Trust Fund | Custodial Fund 5K Run Walk Fund |
|---|-----------------------|---|---------------------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 85,489 | \$ 22,074 | \$ 606 |
| Participant Loans | 71,056 | - | - |
| Investments | 4,819,571 | - | - |
| Total Assets | 4,976,116 | 22,074 | 606 |
| LIABILITIES | | | |
| Due to Other Funds | - | - | - |
| Total Liabilities | - | - | - |
| NET POSITION | | | |
| Restricted for Pension Benefits and Trust Purposes | <u>\$ 4,976,116</u> | <u>\$ 22,074</u> | <u>\$ 606</u> |

See accompanying Notes to Financial Statements.

**TOWN OF BURLINGTON, CONNECTICUT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2022**

| | Pension Trust Fund | Private Purpose Trust Fund Collins Trust Fund | Custodial Fund 5K Run Walk Fund |
|---|-----------------------|---|---------------------------------------|
| ADDITIONS | | | |
| Contributions: | | | |
| Employer | \$ 78,742 | \$ - | \$ - |
| Plan Members | 88,762 | - | - |
| Other | - | 8,117 | - |
| Total Contributions | 167,504 | 8,117 | - |
| Investment Earnings: | | | |
| Net Change in Fair Value of Investments | (665,986) | - | - |
| Interest and Dividends | 98,278 | - | - |
| Total Investment Earnings | (567,708) | - | - |
| Total Additions | (400,204) | 8,117 | - |
| DEDUCTIONS | | | |
| Pension Distributions and Expenses | 140,596 | - | - |
| Public Assistance | - | 4,200 | - |
| Total Deductions | 140,596 | 4,200 | - |
| CHANGE IN NET POSITION | (540,800) | 3,917 | - |
| Net Position - Beginning of Year | 5,516,916 | 18,157 | 606 |
| NET POSITION AT END OF YEAR | <u>\$ 4,976,116</u> | <u>\$ 22,074</u> | <u>\$ 606</u> |

See accompanying Notes to Financial Statements.

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Burlington, Connecticut (the Town) was incorporated in 1806. It operates under an elected, five-member Board of Selectmen and an elected, seven-member Board of Finance form of government and provides the following services: general government, public safety, public works, public health and welfare, culture, recreation, library, and water and sewer utilities. Educational services are provided by Regional School District Number 10 (the District), of which the towns of Burlington and Harwinton are members. Town appropriations to the school district are determined by a separate taxpayer approved budget and percentage of Burlington residents attending the District's schools.

The legislative power of the Town is vested in the Town Meeting. The First Selectman is the chief executive officer and budget making authority of the Town. The Board of Finance is responsible for revising the proposed budget and submitting the final budget to the Town Meeting. The Board of Finance is also responsible for establishing the annual tax rate. The Town has the power to incur indebtedness by issuing bonds or notes as provided by the Connecticut General Statutes.

Board of Selectmen may enact, amend or repeal ordinances and resolutions. The Board of Finance is responsible for financial and taxation matters as prescribed by Connecticut General Statutes, including presenting fiscal operating budgets for Town Meeting approval.

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable, and other organizations 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. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the government. These criteria have been considered and have resulted in the inclusion of the fiduciary component units as detailed below.

Fiduciary Component Units

The Town has established a single-employer Public Retirement Systems (PERS) plan to provide retirement benefits primary to employees and their beneficiaries. The Town performs the duties of a governing board for the Pension plans and is required to make contributions to the pension plan and impose its will.

The financial statements of the fiduciary component unit is reported as a Pension Trust fund in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component unit.

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

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

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 nonfiduciary activities of the Town. For the most part, the effect of interfund 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 a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, including fiduciary component units, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements.

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

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

The Town reports the following major governmental funds:

- The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *American Rescue Plan Act Fund* is a fund that accounts for the American Rescue Plan Act of 2021 grant.
- The *Bridges and Road Repair Fund* accounts for the Town portion of bridge and road repairs.

Additionally, the Town reports the following fund types:

- The *Enterprise Funds* are used to account for activities of the Senior Housing Fund which accounts for rent revenue and expenses for the Evergreens Senior Housing and the Water Fund which accounts for water sales and expenses.
- The *Pension Trust Fund* is used to account for resources held in trust for participants in the Town's pension plan.
- The *Private Purpose Trust Fund* is used to account for the Collins Trust which benefits inhabitants of the Town of Burlington who are in need of support or of care in illness.
- The *Custodial Fund* is used to account for activities of the 5k Run Walk Fund.

C. Cash and Cash Equivalents

The Town's cash and cash equivalents consist of all cash on hand, checking, savings, money market accounts and certificates of deposit with an original maturity of 90 days or less.

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Investments

Investments are stated at fair value.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

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

The Town's pension plan provides participant loans in accordance with the parameters of the plan. Loans made by the Town under the program bear an interest rate based on commercial loan rates. These loans become due and payable through biweekly payroll deduction according to an amortization schedule provided by the pension actuary. The Plan records loans receivable at the time the loan proceeds are advanced, and such amounts are reported net of an allowance for uncollectible amounts.

F. Leases

The Town determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statements of net position and fund financial statements.

Lease receivables represent the Town's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Leases (Continued)

The Town has elected to recognize payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Town has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

G. Capital Assets

Capital assets, which include, land, construction in progress, buildings and improvements, machinery and equipment, vehicles, land improvements, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. For governmental activities, capital assets are defined by the government as assets with an initial individual cost of more than \$10,000 and an estimated useful life of two years. For business-type activities, capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition 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 lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, equipment, and infrastructure of the Town is depreciated using the straight-line method over the following estimated useful lives.

| | |
|---------------------------|----------------|
| Infrastructure | 20 Years |
| Building and Improvements | 20 to 40 Years |
| Land Improvements | 20 Years |
| Machinery and Equipment | 3 to 20 Years |
| Vehicles | 5 Years |

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs, and difference between projected and actual earnings on investments. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows of resources for pension and OPEB and leases in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience and changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees). Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes and sewer charges. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Compensated Absences

Employees accrue vacation and sick leave based upon length of employment. Under certain union contracts, the Town employees' unused vacation can be carried over to the next year within certain limits and be paid upon death, retirement, or termination. Compensated absences are accrued when incurred in the government-wide, proprietary or fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

J. Net Pension Liability

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

K. Total Other Postemployment Benefits Other than Pensions (OPEB) Liability

The total OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service. The total OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year and no later than the end of the current fiscal year, consistently applied from period to period.

L. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Equity

Equity in the government-wide financial statements is defined as “net position” and is classified in the following categories:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted – Restrictions are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position consists of amounts that do not meet the definition of “restricted” or “net investment in capital assets.”

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

Nonspendable Fund Balance – This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

Restricted Fund Balance – This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors, or laws and regulations of their governments.

Committed Fund Balance – This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town of Burlington Board of Finance). Amounts remain committed until action is taken by the Board of Finance (resolution) to remove or revise the limitations.

Assigned Fund Balance – This includes amounts constrained for the intent to be used for a specific purpose by the Board of Finance that has been delegated authority to assign amounts by the Town Charter.

Unassigned Fund Balance – This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

The Town has a policy to maintain a minimum combined balance of the assigned and unassigned fund balances of 12% of the following fiscal year’s budgeted expenditures as of June 30 of each fiscal year.

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Property Taxes

Property taxes are assessed as of October 1 and are levied and billed on the following July 1. Real estate and personal property taxes are due in two installments, July 1 and the following January 1. Motor vehicle taxes are payable on July 1 and supplemental motor vehicle taxes are payable on January 1. Interest at the rate of 1.5% per month accrues on all overdue taxes. Assessments for real and personal property, excluding motor vehicles, are computed at 70% of appraised market value. A lien is placed on the property if real estate taxes are unpaid as of May 15 following the payable date. The Town establishes an allowance for doubtful accounts based on historical collections, experience and other factors.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The Town defines the current period to mean within 60 days after year-end. Property taxes receivable not expected to be collected during the available period are reflected as a deferred inflow in the fund financial statements. The entire receivable is recorded as revenue in the government-wide financial statements. Property taxes collected prior to June 30 that are applicable to the subsequent years' assessment are reflected as a deferred inflow in both the fund financial statements and the government-wide financial statements.

O. Sewer User Charges and Assessments

Upon completion of sewer projects, sewer assessments are levied and assessed to the users. User charges and assessments are due and payable as of May 1 following the levy, but may be paid in installments with interest over the life of the related bond issuance. The Town establishes an allowance for doubtful accounts based on historical collections, experience and other factors. All properties are lienied until the assessment is paid in full.

P. Accounting Estimates

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

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Adoption of New Accounting Standards:

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Town adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the period of adoption.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The annual budget is prepared by the Board of Finance and employed for management control of the General Fund.

The budget is adopted via Town Meeting. The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements:

- A proposed operating budget is submitted for the fiscal year commencing July 1 to a public budget hearing, at which taxpayer comments are obtained. The Board of Finance then prepares the recommended Town budget, which it presents at the annual Town Meeting held on the first Tuesday in June. The operating budget includes proposed expenditures and the means of financing them.
- Expenditures are budgeted by function, department and object. Management may not exceed appropriations at the department level and must seek approval from the Board of Finance to reassign resources within a department.
- The legal level of budgetary control (the level at which expenditures may not exceed appropriations) is the department level. The Board of Finance is authorized to transfer budgeted amounts within and between departments and objects.

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

- Any additional appropriations exceeding 0.1% of the annual budget shall become effective only after approval by the Board of Finance and passage at a Town Meeting. Exceptions to that rule are transfers from the contingency expenditure line item and the Municipal Reserve Fund may be made by the Board of Finance upon the recommendation from the Town Treasurer.
- During the year, there were no additional appropriations.
- Formal budgetary integration is employed as a management control device during the year.
- Encumbrances are not utilized.
- All unexpended appropriations lapse at year-end, except capital projects.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents, and Investments

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by the Statutes or, in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit, in an “out of state bank” as defined by the Statutes, which is not a “qualified public depository.”

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies; 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF). This investment pool is under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash, Cash Equivalents, and Investments

Deposits

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$16,968,330 of the Town's bank balance of \$18,405,315 was exposed to custodial credit risk as follows:

| | |
|--|-----------------------------|
| Uninsured and Uncollateralized | \$ 15,196,497 |
| Uninsured and Collateral Held by the Pledging Bank's Trust Department, not in the Town's Name | 1,771,833 |
| Total Amount Subject to Custodial Risk | <u><u>\$ 16,968,330</u></u> |

Investments

As of June 30, 2022, the Town had the following investments:

| Investment Type | Value | Investment Maturities (Years) | | |
|-------------------------------|----------------------------|-------------------------------|----------------------------|-------------------------|
| | | Less Than 1 | 1 - 10 | More than 10 |
| Interest-Bearing Investments: | | | | |
| Certificates of Deposit | \$ 785,553 | \$ 425,791 | \$ 359,762 | \$ - |
| U.S. Government Securities | 19,763 | - | 19,763 | - |
| Municipal Bonds | 290,357 | 65,044 | 177,263 | 48,050 |
| Corporate Bonds | 855,037 | 50,028 | 805,009 | - |
| Total | 1,950,710 | <u><u>\$ 540,863</u></u> | <u><u>\$ 1,361,797</u></u> | <u><u>\$ 48,050</u></u> |
| Other Investments: | | | | |
| Mutual Funds | 435,867 | | | |
| Common Stock | 3,218,524 | | | |
| Total Investments | <u><u>\$ 5,605,101</u></u> | | | |

Investment Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value if its investment or collateral securities that are in the possession of an outside party.

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash, Cash Equivalents, and Investments (Continued)

Credit Risk

The Town has no investment policy that would limit its investment choices due to credit risk other than State statutes governing investments in obligations of any state or political subdivision or in obligations of the state of Connecticut or political subdivision.

| Average Rating | Corporate Bonds | U.S. Government Securities |
|----------------|--------------------|-------------------------------|
| Aaa | \$ 49,875 | \$ 19,763 |
| Aa1 | 48,507 | - |
| Aa2 | 99,271 | - |
| A1 | 148,364 | - |
| A3 | 50,027 | - |
| Baa1 | 170,444 | - |
| Baa2 | 288,549 | - |
| A- | - | - |
| Baa1 | - | - |
| Baa2 | - | - |
| Total | <u>\$ 855,037</u> | <u>\$ 19,763</u> |

Concentration of Credit Risk

The Town places no limit on the amount invested in any one issuer.

Interest Rate Risk

The Town 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.

The Pension Trust Fund is also authorized to invest in equities and bonds. The investments of this fund are held in trust by a trustee bank, which executes investment transactions under the direction of the pension plan's investment manager.

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements).

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash, Cash Equivalents, and Investments (Continued)

Fair Value (Continued)

The Town has the following recurring fair value measurements as of June 30, 2022:

| Investment Type | Value | Investment Maturities (Years) | | |
|-------------------------------|---------------------|-------------------------------|---------------------|------------------|
| | | Less Than 1 | 1 - 10 | More than 10 |
| Interest-Bearing Investments: | | | | |
| Certificates of Deposit | \$ 785,553 | \$ 425,791 | \$ 359,762 | \$ - |
| U.S. Government Securities | 19,763 | - | 19,763 | - |
| Municipal Bonds | 290,357 | 65,044 | 177,263 | 48,050 |
| Corporate Bonds | 855,037 | 50,028 | 805,009 | - |
| Total | 1,950,710 | <u>\$ 540,863</u> | <u>\$ 1,361,797</u> | <u>\$ 48,050</u> |
| Other Investments: | | | | |
| Mutual Funds | 435,867 | | | |
| Common Stock | 3,218,524 | | | |
| Total Investments | <u>\$ 5,605,101</u> | | | |

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

B. Receivables

Receivables by type at year-end for the Town's government-wide financial statements, including the applicable allowances for uncollectible accounts, are as follows:

| | General Fund | Nonmajor and Other Funds | Total |
|---|---------------------|--------------------------|---------------------|
| Property Taxes Receivable | \$ 278,520 | \$ - | \$ 278,520 |
| Interest on Property Taxes | 138,554 | - | 138,554 |
| Sewer Usage | | | - |
| Assessments | 151,034 | - | 151,034 |
| Interest on Assessments | 3,330 | - | 3,330 |
| Grants and Contracts | 32,585 | 183,364 | 215,949 |
| Loans | - | 71,056 | 71,056 |
| Lease | 584,533 | - | 584,533 |
| Other | 113,115 | 1,829 | 114,944 |
| Less Allowance for Uncollectible Accounts | <u>(40,000)</u> | <u>-</u> | <u>(40,000)</u> |
| Net Accounts Receivable | <u>\$ 1,261,671</u> | <u>\$ 256,249</u> | <u>\$ 1,517,920</u> |

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Leases

The Town, acting as lessor, leases cell phone towers under long-term, noncancelable lease agreements.

The first lease expires on May 6, 2034 with six potential five year renewal options.

The second lease originally expired on December 26, 2001, which was amended to extend for five years and add three automatic five year renewals. The lease was further amended in February 2017 to provide for four additional five year automatic extension terms.

The third lease originally expired on November 4, 2010 with an option of extensions for four additional five year renewal terms.

The fourth lease originally expired November 19, 2013 with an option for four additional five year renewal terms.

Total future minimum lease payments to be received under lease agreements are as follows:

| <u>Year Ending June, 30</u> | <u>Governmental Activities</u> | |
|------------------------------|--------------------------------|------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2023 | \$ 100,002 | \$ 10,596 |
| 2024 | 82,065 | 8,705 |
| 2025 | 56,642 | 7,373 |
| 2026 | 48,761 | 6,379 |
| 2027 | 35,733 | 5,463 |
| 2028-2032 | 86,778 | 21,840 |
| 2033-2037 | 104,479 | 12,299 |
| 2038-2042 | 70,073 | 2,040 |
| Total Minimum Lease Payments | <u>\$ 584,533</u> | <u>\$ 74,695</u> |

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|----------------------|-------------------|---------------------|----------------------|
| Governmental Activities: | | | | |
| Capital Assets not Being Depreciated: | | | | |
| Land | \$ 3,916,941 | \$ - | \$ - | \$ 3,916,941 |
| Construction in Progress | 3,605,987 | 262,597 | 1,035,856 | 2,832,728 |
| Total Capital Assets not Being Depreciated | 7,522,928 | 262,597 | 1,035,856 | 6,749,669 |
| Capital Assets Being Depreciated: | | | | |
| Buildings and Improvements | 13,359,762 | - | - | 13,359,762 |
| Infrastructure | 25,595,276 | 1,035,856 | - | 26,631,132 |
| Land Improvements | 1,028,323 | - | - | 1,028,323 |
| Machinery and Equipment | 1,072,146 | 19,161 | - | 1,091,307 |
| Vehicles | 4,614,298 | 304,726 | 116,757 | 4,802,267 |
| Total Capital Assets Being Depreciated | 45,669,805 | 1,359,743 | 116,757 | 46,912,791 |
| Less: Accumulated Depreciation for: | | | | |
| Buildings and Improvements | 7,004,256 | 497,764 | - | 7,502,020 |
| Infrastructure | 22,918,864 | 514,862 | - | 23,433,726 |
| Land Improvements | 853,646 | 46,565 | - | 900,211 |
| Machinery and Equipment | 935,602 | 49,783 | - | 985,385 |
| Vehicles | 3,092,731 | 483,770 | 116,757 | 3,459,744 |
| Total Accumulated Depreciation | 34,805,099 | 1,592,744 | 116,757 | 36,281,086 |
| Total Capital Assets Being Depreciated, Net | 10,864,706 | (233,001) | - | 10,631,705 |
| Governmental Activities Capital Assets, Net | <u>\$ 18,387,634</u> | <u>\$ 29,596</u> | <u>\$ 1,035,856</u> | <u>\$ 17,381,374</u> |
| Business-Type Activities: | | | | |
| Capital Assets Being Depreciated: | | | | |
| Buildings and Improvements | \$ 7,162 | \$ - | \$ - | \$ 7,162 |
| Machinery, Equipment, and Vehicles | 50,495 | - | - | 50,495 |
| Total Capital Assets Being Depreciated | 57,657 | - | - | 57,657 |
| Less: Accumulated Depreciation for: | | | | |
| Buildings and Improvements | 3,165 | 2,171 | - | 5,336 |
| Machinery, Equipment, and Vehicles | 48,635 | 1,860 | - | 50,495 |
| Total Accumulated Depreciation | 51,800 | 4,031 | - | 55,831 |
| Total Capital Assets Being Depreciated, Net | 5,857 | (4,031) | - | 1,826 |
| Business-Type Activities Capital Assets, Net | <u>\$ 5,857</u> | <u>\$ (4,031)</u> | <u>\$ -</u> | <u>\$ 1,826</u> |

**TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the government as follows:

| | |
|---|---------------------|
| Governmental Activities: | |
| General Government | \$ 204,310 |
| Public Safety | 428,237 |
| Public Works | 584,934 |
| Library | 161,888 |
| Recreation | 68,342 |
| Sanitation | 145,033 |
| Total Depreciation Expense - Governmental Activities | <u>\$ 1,592,744</u> |
| Business-Type Activities: | |
| Senior Housing | <u>\$ 4,031</u> |
| Total Depreciation Expense - Business- Type Activities | <u>\$ 4,031</u> |

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2022 is as follows:

| Receivable Fund | Payable Fund | Amount |
|------------------------------|-----------------------------|---------------------|
| General Fund | Sewer Authority | \$ 1,013 |
| | Nonmajor Governmental Funds | 67,235 |
| | Total | <u>68,248</u> |
| Bridges and Road Repair Fund | General Fund | 208,825 |
| Nonmajor Governmental Funds | General Fund | <u>829,026</u> |
| Total | | <u>\$ 1,106,099</u> |

The outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interfund Receivables, Payables, and Transfers (Continued)

The transfers that occurred during the year are as follows:

| | General Fund | Transfers In Bridges and Road Repair Fund | Nonmajor Governmental Funds | Total Transfers Out |
|------------------------------|-------------------|--|-----------------------------|---------------------|
| Transfers Out: | | | | |
| General Fund | \$ - | \$ 422,000 | \$ 899,491 | \$ 1,321,491 |
| Bridges and Road Repair Fund | 6,175 | - | - | 6,175 |
| Nonmajor Governmental Funds | 53,796 | 38 | - | 53,834 |
| Nonmajor Enterprise Funds | 65,000 | - | - | 65,000 |
| Total Transfers In | <u>\$ 124,971</u> | <u>\$ 422,038</u> | <u>\$ 899,491</u> | <u>\$ 1,446,500</u> |

Transfers are used to move funds from the General Fund to the other funds in accordance with budget authorizations. Transfers from the nonmajor Enterprise Funds to the General Fund was for payments on long term debt.

F. Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2022 was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---------------------|-------------------|-------------------|---------------------|---------------------|
| Governmental Activities: | | | | | |
| Bonds Payable: | | | | | |
| General Obligation Bonds | \$ 5,155,000 | \$ - | \$ 310,000 | \$ 4,845,000 | \$ 310,000 |
| Unamortized Premium | 115,719 | - | 13,306 | 102,413 | - |
| Total Bonds Payable | 5,270,719 | - | 323,306 | 4,947,413 | 310,000 |
| State of Connecticut Sewer Notes | 732,995 | - | 112,814 | 620,181 | 115,091 |
| Long Term Payable on Sewer Upgrade | - | 722,206 | 59,853 | 662,353 | 32,340 |
| Compensated Absences | 194,525 | - | 22,773 | 171,752 | 149,424 |
| Net Pension Liability | - | 133,649 | - | 133,649 | - |
| Total OPEB Liability | 112,454 | - | 7,103 | 105,351 | 2,148 |
| Total Governmental Activities Long-Term Liabilities | <u>\$ 6,310,693</u> | <u>\$ 855,855</u> | <u>\$ 525,849</u> | <u>\$ 6,640,699</u> | <u>\$ 609,003</u> |

For the governmental activities, compensated absences, net pension liability and total OPEB liability are generally liquidated by the General Fund. The Senior Housing Fund reimburses the General Fund for a portion of the general obligation debt service payments.

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Debt (Continued)

Changes in Long-Term Liabilities (Continued)

General obligation bonds currently outstanding are as follows:

| Description | Date of Issue | Date of Maturity | Interest Rate (%) | Amount of Original Issue | Balance Outstanding June 30, 2022 |
|----------------------------------|---------------|------------------|-------------------|--------------------------|-----------------------------------|
| Governmental Activities: | | | | | |
| General Obligation | 2017 | 7/15/37 | 3.00% | \$ 6,085,000 | \$ 4,845,000 |
| Direct Placement: | | | | | |
| State of Connecticut Sewer Notes | 2008 | 8/17/27 | 2.00% | 2,102,440 | 620,181 |
| Total Governmental Activities | | | | | <u>\$ 5,465,181</u> |

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

| Year Ending June 30, | Governmental Activities | | | |
|----------------------|--------------------------|---------------------|----------------------------------|------------------|
| | General Obligation Bonds | | State of Connecticut Sewer Notes | |
| | Principal | Interest | Principal | Interest |
| 2023 | \$ 310,000 | \$ 140,700 | \$ 115,091 | \$ 11,352 |
| 2024 | 305,000 | 131,475 | 117,414 | 9,029 |
| 2025 | 305,000 | 122,325 | 119,784 | 6,659 |
| 2026 | 305,000 | 113,175 | 122,202 | 4,242 |
| 2027 | 305,000 | 104,025 | 124,668 | 1,775 |
| 2028-2032 | 1,525,000 | 382,875 | 21,022 | 53 |
| 2033-2037 | 1,495,000 | 155,475 | - | - |
| 2038 | 295,000 | 4,425 | - | - |
| Total | <u>\$ 4,845,000</u> | <u>\$ 1,154,475</u> | <u>\$ 620,181</u> | <u>\$ 33,110</u> |

Long-Term Payable – Sewer Upgrade

The Town has an agreement for the use of WPCA facilities that includes an obligation for the Town to pay a portion of the capital related to the Facility. Annual debt service requirements to maturity for the long-term payable are as follows:

| Year Ending June 30, | Governmental Activities | |
|----------------------|-----------------------------------|---------------------|
| | Long-Term Payable - Sewer Upgrade | |
| | Principal | Interest |
| 2023 | \$ 32,340 | \$ 140,700 |
| 2024 | 32,788 | 131,475 |
| 2025 | 33,245 | 122,325 |
| 2026 | 33,712 | 113,175 |
| 2027 | 34,188 | 104,025 |
| 2028-2032 | 178,423 | 382,875 |
| 2033-2037 | 191,857 | 155,475 |
| 2038-2041 | 125,800 | 4,425 |
| Total | <u>\$ 662,353</u> | <u>\$ 1,154,475</u> |

**TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Debt (Continued)

The Town is subject to the General Statutes of Connecticut, which limits the amount of debt outstanding at June 30, 2022 to the following:

Total debt outstanding may not exceed seven times annual receipts from taxation of \$226,735,614.

Overlapping Debt

The Town is a member of Regional School District No. 10 (the District), which provides education facilities for grades kindergarten through 12 for the Towns of Burlington and Harwinton. As of June 30, 2022, the outstanding bonded indebtedness of the District was \$8,685,000. The Town's share will be approximately 66.87% of the balance, or \$5,807,488. This debt is a general obligation of the District and its member towns.

Authorized but Unissued Bonds

The Town had \$2,637,576 of authorized but unissued bonds at June 30, 2022.

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Fund Balance

The components of fund balance for the governmental funds at June 30, 2022 are as follows:

| | General Fund | American Rescue Plan Act Fund | Bridges & Road Repair Fund | Nonmajor Governmental Funds | Total |
|----------------------------|---------------------|-------------------------------------|----------------------------------|-----------------------------------|----------------------|
| Fund Balances: | | | | | |
| Restricted for: | | | | | |
| Historic Preservation | \$ - | \$ - | \$ - | \$ 12,040 | \$ 12,040 |
| Substance Abuse Prevention | - | - | - | 1,187 | 1,187 |
| Small Cities | - | - | - | 41,774 | 41,774 |
| Emergency Management | - | - | - | 1,239 | 1,239 |
| Food and Fuel Assistance | - | - | - | 70,748 | 70,748 |
| Dog Fund | - | - | - | 13,132 | 13,132 |
| Tavern Day | - | - | - | 8,866 | 8,866 |
| Project Graduation | - | - | - | 2,980 | 2,980 |
| Special Purposes - Senior | - | - | - | 22,800 | 22,800 |
| Grants | - | 1,437 | - | - | 1,437 |
| Total | - | 1,437 | - | 174,766 | 176,203 |
| Committed to: | | | | | |
| Parks and Recreation | - | - | - | 1,039,772 | 1,039,772 |
| Highway Equipment | - | - | - | 1,096,021 | 1,096,021 |
| Sewer Maintenance | - | - | - | 674,858 | 674,858 |
| Land Purchase Reserve | - | - | - | 90,764 | 90,764 |
| Town Center | - | - | - | 6,895 | 6,895 |
| Revaluation Reserve | 181,539 | - | - | - | 181,539 |
| Barrel Fund | - | - | - | 110,891 | 110,891 |
| Farmland Preservation | - | - | - | 85,689 | 85,689 |
| Police Capital Reserve | - | - | - | 309,074 | 309,074 |
| Bridges and Road Repair | - | - | 2,125,475 | - | 2,125,475 |
| BVFD Equipment Reserve | - | - | - | 923,792 | 923,792 |
| Town Hall Renovation | - | - | - | 117,623 | 117,623 |
| IT Reserve | - | - | - | 46,556 | 46,556 |
| Cheer | 860 | - | - | - | 860 |
| Snow Removal | 214,267 | - | - | - | 214,267 |
| Pension | 203,000 | - | - | - | 203,000 |
| Retention Pond Maintenance | 89,667 | - | - | - | 89,667 |
| Total | 689,333 | - | 2,125,475 | 4,501,935 | 7,316,743 |
| Assigned to: | | | | | |
| Subsequent Year's Budget | 231,411 | - | - | - | 231,411 |
| Municipal Reserve | 887,139 | - | - | - | 887,139 |
| Total | 1,118,550 | - | - | - | 1,118,550 |
| Unassigned | 7,132,267 | - | - | - | 7,132,267 |
| Total Fund Balances | <u>\$ 8,940,150</u> | <u>\$ 1,437</u> | <u>\$ 2,125,475</u> | <u>\$ 4,676,701</u> | <u>\$ 15,743,763</u> |

**TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 EMPLOYEE RETIREMENT PLANS

A. Town of Burlington Employees' Pension Plan

The Town of Burlington Employees' Pension Plan is a single-employer defined benefit plan that is administered by the Town of Burlington. Benefits are established and may be amended by the Plan Trustees, which consist of the First Selectman and the Treasurer. The Plan is a contributory defined benefit plan known as a "Prototype Split Funded Defined Benefit Pension Plan."

Plan Description and Benefits Provided

The Plan provides retirement and death benefits for all eligible full-time employees of the Town and is included as a fiduciary fund of the Town. Town Hall and Library full-time employees are eligible to participate if hired on or before July 1, 2016. Highway department full-time employees hired on or before July 1, 2010, are eligible to participate. The plan provides a monthly benefit equal to 2% of the average annual compensation per year of credited service, with a maximum of 40 years of credited service. The basis of the benefit is life annuity. Benefits are established and may be amended by the Trustees.

The membership of the plan consisted of the following at July 1, 2022:

| | |
|--|-----------|
| Inactive Plan Members or Beneficiaries Currently | |
| Receiving Benefits | 7 |
| Inactive Plan Members Entitled to but not Yet | |
| Receiving Benefits | 5 |
| Active Plan Members | 12 |
| Total | <u>24</u> |

Contributions

Contribution requirements and benefit provisions were established and may be amended by the Trustees.

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

A. Town of Burlington Employees' Pension Plan (Continued)

Contributions (Continued)

Member – Town Hall/Library, and Highway department employees who are eligible to participate in the plan are required to contribute 6.5% of compensation as their share of the total contribution. The Town established contribution rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

Employer – The Town is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefit payments and refunds are payable when due and payable in accordance with the terms of the plan. Plan administration costs are budgeted from the Town's General Fund.

Method Used to Value Investments

All assets are valued at fair value. All investments are invested in municipal bonds, corporate bonds, common stock and equity mutual funds. Investment income is recognized as earned.

Investments

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Trustees. It is the policy of the Trustees to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

A. Town of Burlington Employees' Pension Plan (Continued)

Investments (Continued)

Investment Policy (Continued)

The following was the Trustee's adopted asset allocation policy as of June 30, 2022:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|-------------|----------------------|---|
| Equities | 70% | 6.50% |
| Bonds | 30 | 2.00% |
| Total | <u>100%</u> | |

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (10.23%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the Town

The components of the net pension liability of the Town at June 30, 2022 were as follows:

| | |
|---|------------------|
| Total Pension Liability | \$ 3,721,849 |
| Plan Fiduciary Net Position | <u>3,696,166</u> |
| Net Pension Liability | <u>\$ 25,683</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 99.31% |

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurements:

| | |
|---------------------------|---|
| Inflation | None (included in investment return) |
| Salary Increases | 4.0 Percent, average, including inflation |
| Investment Rate of Return | 7.0% preretirement; 6.0% postretirement |

Mortality rates were based on the RP-2008 Mortality Table. An experience study has not been performed.

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

A. Town of Burlington Employees' Pension Plan (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 (see the discussion of the pension plan's investment policy) are as follows: Equities 6.5% and Fixed Income 2%.

Discount Rate

The discount rate used to measure the total pension liability was 7.00% for June 30, 2022. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Net Pension Liability (Asset) of the Town

| | Employees' Pension Plan | | |
|--|-------------------------|-----------------------------|-------------------------------|
| | | Increase (Decrease) | |
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability (Asset) |
| | (a) | (b) | (a)-(b) |
| Balances as of July 1, 2021 | \$ 3,519,224 | \$ 4,066,679 | \$ (547,455) |
| Changes for the Year: | | | |
| Service Cost | 104,048 | - | 104,048 |
| Interest on Total Pension Liability | 243,950 | - | 243,950 |
| Difference Between Expected and Actual Experience | (82,191) | - | (82,191) |
| Effect of Assumption Changes or Inputs | - | - | - |
| Employer Contributions | - | 47,753 | (47,753) |
| Member Contributions | - | 63,390 | (63,390) |
| Net change in fair value of investments | - | (490,918) | 490,918 |
| Interest and Dividends | - | 72,444 | (72,444) |
| Benefit Payments, Including Refund to Employee Contributions | (63,182) | (63,182) | - |
| Net Changes | 202,625 | (370,513) | 573,138 |
| Balances as of June 30, 2022 | <u>\$ 3,721,849</u> | <u>\$ 3,696,166</u> | <u>\$ 25,683</u> |

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

A. Town of Burlington Employees' Pension Plan (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Town, calculated using the current discount rate, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|------------------------|-------------------------------------|------------------------|
| Employees Net Pension Liability (Asset) | \$ 260,687 | \$ 25,683 | \$ (183,966) |

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the Town recognized pension expense of \$89,995. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences Between Expected and Actual Experience | \$ - | \$ 34,398 |
| Net Difference Between Projected and Actual Earning on Pension Plan Investments | 158,052 | - |
| Total | <u>\$ 158,052</u> | <u>\$ 34,398</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| <u>Year Ending June 30.</u> | <u>Amount</u> |
|-----------------------------|-------------------|
| 2023 | \$ 28,483 |
| 2024 | 28,483 |
| 2025 | 28,483 |
| 2026 | 28,483 |
| 2027 | 28,483 |
| Thereafter | (18,761) |
| Total | <u>\$ 123,654</u> |

**TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

B. Town of Burlington Constable Pension Plan

The Town of Burlington Constable Pension Plan is a single-employer defined benefit plan that is administered by the Town of Burlington. Benefits are established and may be amended by the Plan Trustees, which consist of the First Selectman and the Treasurer. The Plan is a contributory defined benefit plan known as a "Prototype Split Funded Defined Benefit Pension Plan."

Plan Description and Benefits Provided

The Plan provides retirement and death benefits for all eligible full-time constables of the Town and is included as a fiduciary fund of the Town. All full-time constables are eligible to participate if hired on or before January 1, 2021. The plan provides a monthly benefit equal to 1.9% of the average annual compensation per year of credited service, with a maximum of 40 years of credited service. The basis of the benefit is Ten Years Certain and life annuity. Benefits are established and may be amended by the Trustees.

The membership of the plan consisted of the following at July 1, 2022:

| | |
|--|----------|
| Inactive Plan Members or Beneficiaries Currently | |
| Receiving Benefits | 3 |
| Inactive Plan Members Entitled to but not Yet | |
| Receiving Benefits | - |
| Active Plan Members | 4 |
| Total | <u>7</u> |

Contributions

Contribution requirements and benefit provisions were established and may be amended by the Trustees

Member – Constables are required to contribute 8% of compensation as their share of the total contribution. The Town established contribution rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

Employer – The Town is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members.

**TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

B. Town of Burlington Constable Pension Plan (Continued)

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefit payments and refunds are payable when due and payable in accordance with the terms of the plan. Plan administration costs are budgeted from the Town's General Fund.

Method Used to Value Investments

All assets are valued at fair value. All investments are invested in government bonds, corporate bonds common stock, and equity mutual funds. Investment income is recognized as earned.

Investments

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Trustees. It is the policy of the Trustees to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

The following was the Trustee's adopted asset allocation policy as of June 30, 2022:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|-------------|-------------------|--|
| Equities | 70% | 6.50% |
| Bonds | 30 | 2.00% |
| Total | 100% | |

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (10.37%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

B. Town of Burlington Constable Pension Plan (Continued)

Net Pension Liability of the Town

The components of the net pension liability of the Town at June 30, 2022 were as follows:

| | |
|---|--------------------------|
| Total Pension Liability | \$ 1,387,916 |
| Plan Fiduciary Net Position | <u>1,279,950</u> |
| Net Pension Liability | <u><u>\$ 107,966</u></u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 92.22% |

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurements:

| | |
|---------------------------|---|
| Inflation | None (included in investment return) |
| Salary Increases | 4.0 Percent, average, including inflation |
| Investment Rate of Return | 7.0% preretirement; 6.0% postretirement |

Mortality rates were based on the RP-2008 Mortality Table. An experience study has not been performed.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 (see the discussion of the pension plan's investment policy) are as follows: Equities 6.5% and Fixed Income 2%.

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

B. Town of Burlington Constable Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% for June 30, 2022. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Net Pension Liability (Asset) of the Town

| Constables Pension Plan | | | |
|--|-------------------------|-----------------------------|-------------------------------|
| | Increase (Decrease) | | |
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability (Asset) |
| | (a) | (b) | (a)-(b) |
| Balances as of July 1, 2021 | \$ 1,304,363 | \$ 1,450,237 | \$ (145,874) |
| Changes for the Year: | | | |
| Service Cost | 62,846 | - | 62,846 |
| Interest on Total Pension Liability | 88,370 | - | 88,370 |
| Difference Between Expected and Actual Experience | 9,751 | - | 9,751 |
| Effect of Assumption Changes or Inputs | - | - | - |
| Employer Contributions | - | 30,989 | (30,989) |
| Member Contributions | - | 25,372 | (25,372) |
| Net change in fair value of investments | - | (175,068) | 175,068 |
| Interest and Dividends | - | 25,834 | (25,834) |
| Benefit Payments, Including Refund to Employee Contributions | (77,414) | (77,414) | - |
| Net Changes | 83,553 | (170,287) | 253,840 |
| Balances as of June 30, 2022 | \$ 1,387,916 | \$ 1,279,950 | \$ 107,966 |

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Town, calculated using the current discount rate, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|----------------------------------|------------------------|-------------------------------------|------------------------|
| Constables Net Pension Liability | \$ 125,873 | \$ 107,966 | \$ 92,598 |

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

B. Town of Burlington Constable Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the Town recognized pension expense of \$89,637. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences Between Expected and Actual Experience | \$ 111,199 | \$ - |
| Net Difference Between Projected and Actual Earning on Pension Plan Investments | 56,694 | - |
| Total | <u>\$ 167,893</u> | <u>\$ -</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| <u>Year Ending June 30,</u> | <u>Amount</u> |
|-----------------------------|-------------------|
| 2023 | \$ 39,139 |
| 2024 | 39,139 |
| 2025 | 39,139 |
| 2026 | 39,139 |
| 2027 | 11,337 |
| Thereafter | - |
| Total | <u>\$ 167,893</u> |

C. Combining Statements

The Town combining statement of net position and the combining statement of revenues, expenses and changes in net position for the Town of Burlington Employees' Pension and Plan and the Town of Burlington Constable Pension Plan are as follows:

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

C. Combining Statements (Continued)

Combining Statement of Net Position

| | Town Plan | Constable Plan | Total Pension Trust Fund |
|---|---------------------|---------------------|--------------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 61,010 | \$ 24,479 | \$ 85,489 |
| Contribution Receivable | - | - | - |
| Participant Loans | 71,056 | - | 71,056 |
| Investments | 3,439,492 | 1,380,079 | 4,819,571 |
| Due from Other Funds | - | - | - |
| Other Assets | - | - | - |
| Total Assets | <u>3,571,558</u> | <u>1,404,558</u> | <u>4,976,116</u> |
| NET POSITION | | | |
| Restricted for Pension Benefits and Trust Purposes | <u>\$ 3,696,166</u> | <u>\$ 1,279,950</u> | <u>\$ 4,976,116</u> |

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

| | Town Plan | Constable Plan | Total Pension Trust Fund |
|--|---------------------|---------------------|--------------------------------|
| ADDITIONS | | | |
| Contributions: | | | |
| Employer | \$ 47,753 | \$ 30,989 | \$ 78,742 |
| Plan Members | 63,390 | 25,372 | 88,762 |
| Total Contributions | <u>111,143</u> | <u>56,361</u> | <u>167,504</u> |
| Investment Earnings: | | | |
| Net Change in Fair Value of Investments | (490,918) | (175,068) | (665,986) |
| Interest and Dividends | 72,444 | 25,834 | 98,278 |
| Total Investment Earnings | <u>(418,474)</u> | <u>(149,234)</u> | <u>(567,708)</u> |
| Total Additions | (307,331) | (92,873) | (400,204) |
| DEDUCTIONS | | | |
| Pension Distributions and Expenses | <u>63,182</u> | <u>77,414</u> | <u>140,596</u> |
| Total Deductions | <u>63,182</u> | <u>77,414</u> | <u>140,596</u> |
| CHANGE IN NET POSITION | (370,513) | (170,287) | (540,800) |
| Net Position - Beginning of Year | <u>4,066,679</u> | <u>1,450,237</u> | <u>5,516,916</u> |
| NET POSITION - END OF YEAR | <u>\$ 3,696,166</u> | <u>\$ 1,279,950</u> | <u>\$ 4,976,116</u> |

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

D. Defined Contribution Plan

The Town adopted and administers a single-employer defined contribution pension plan – The Town of Burlington 401(k) Plan. Employees may make elective deferrals to the plan and are eligible for matching contributions from the Town. Employer contributions are vested in the plan after five years. Forfeitures may reduce future Town contributions or can be used to pay plan expenses. The Plan currently has sixteen participants and the expense to the Town for this plan during the year ended June 30, 2022 was \$46,101.

NOTE 5 OTHER POSTEMPLOYMENT BENEFIT PLANS

A. Town Program

Plan Description

The Town provides eligible retirees with other postemployment benefits (OPEB Program) for medical coverage through the Town's group health insurance plans, which cover both active and retired members. Benefit and contribution provisions are established through negotiations between the Town and the union representing Town employees and are renegotiated between three-year and five-year bargaining periods.

The Town currently pays for postemployment health care benefits on a pay-as-you-go basis. As of June 30, 2022, the Town has not established a trust fund to irrevocably segregate assets to fund liability associated with the postemployment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines.

Police retirees hired before July 1, 2010, may continue to participate in the Town's health insurance plan as then provided, as if still actively employed, after retirement until said employee reaches the age of 65. Such pro rata participation shall also be extended to said employee's spouse for the same period of time.

Town Hall department retirees hired before October 26, 2010 receive health insurance funded by the Town at the same percentage that then-current employees are receiving. Town Hall department retirees hired after October 26, 2010 may purchase coverage for the retiree and the retiree's spouse at their sole expense, to age 65.

Highway department retirees hired before July 1, 2010 receive health insurance funded by the Town at the same percentage as it is paying for current employees until age 65. The benefit is available to Highway department retirees at age 62. Highway department retirees hired after July 1, 2010, may purchase coverage for the retiree and the retiree's spouse at their sole expense. The Town does not cover spouses of Highway or Town Hall retirees. Benefit provisions and funding requirements may be amended by the Board of Selectmen.

**TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

A. Town Program (Continued)

Funding Policy

The Town appropriates funds annually for the costs associated with this retirement benefit and provides funding for the expenditures on a pay-as-you-go basis through the General Fund. Expenditures for premiums for postemployment health care benefits are recognized on the accrual basis.

At June 30, 2022, plan membership consisted of the following:

| | |
|---|----|
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | - |
| Inactive Plan Members Entitled to but not Yet Receiving Benefits | - |
| Active Plan Members | 36 |
| Total | 36 |

Total OPEB Liability

The Town's total OPEB liability of \$105,351 was measured as of June 30, 2022 and was determined by an actuarial valuation dated July 1, 2021, rolled forward to June 30, 2022.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

| | |
|---------------------|---|
| Inflation | 2.50% |
| Discount Rate | 3.54% |
| Medical Trend Rates | 7.00% decreasing 0.5% each year to an ultimate rate of 4.50% per year rate for 2025 and later |

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index as of the measurement date. This represents municipal bond trends based on a portfolio of 20 general obligation bonds that mature in 20 years. Mortality rates were based on RPH-2014 headcount-weighted total dataset fully generational mortality projected table with projection scale MP-2021.

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

A. Town Program (Continued)

Changes in the Total OPEB Liability

| | Total OPEB Liability |
|--|-------------------------|
| Balances as of July 1, 2021 | \$ 112,454 |
| Changes for the Year: | |
| Service Cost | 7,921 |
| Interest on Total OPEB Liability | 2,387 |
| Changes of Benefit Terms | 6,076 |
| Differences Between Expected and Actual Experience | (773) |
| Changes in Assumptions or Other Inputs | (22,714) |
| Benefit Payments | - |
| Net Changes | <u>(7,103)</u> |
| Balances as of June 30, 2022 | <u>\$ 105,351</u> |

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage point higher than the current discount rate:

| | 1% Decrease (2.54%) | Current Discount Rate (3.54%) | 1% Increase (4.54%) |
|----------------------|------------------------|-------------------------------------|------------------------|
| Total OPEB Liability | <u>\$ 110,762</u> | <u>\$ 105,351</u> | <u>\$ 99,906</u> |

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using the current healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

| | 1% Decrease (6.00% Decreasing to 4.00%) | Healthcare Cost Trend Rates (7.00% Decreasing to 5.00%) | 1% Increase (8.00% Decreasing to 6.00%) |
|----------------------|---|--|---|
| Total OPEB Liability | <u>\$ 96,902</u> | <u>\$ 105,351</u> | <u>\$ 114,754</u> |

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

A. Town Program (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the Town recognized OPEB expense of \$658. At June 30, 2022, the Town reported deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences Between Expected and Actual Experience | \$ 900 | \$ 51,903 |
| Changes in Assumptions | 7,071 | 21,346 |
| Total | <u>\$ 7,971</u> | <u>\$ 73,249</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Year Ending June 30.</u> | <u>Amount</u> |
|-----------------------------|--------------------|
| 2023 | \$ (15,726) |
| 2024 | (15,684) |
| 2025 | (13,183) |
| 2026 | (11,724) |
| 2027 | (3,281) |
| Thereafter | (5,680) |
| Total | <u>\$ (65,278)</u> |

NOTE 6 OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2022.

The Town's workers compensation policies are with CIRMA's guaranteed cost programs. The premium is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence.

TOWN OF BURLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 OTHER INFORMATION (CONTINUED)

B. Contingent Liabilities

There are various suits and claims pending against the Town, none of which, individually or in the aggregate, is believed by counsel to be likely to result in judgment or judgments that could materially affect the Town's financial position.

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

C. Construction Commitments

The Town has a commitment of \$620,710 for the construction of the Covey Road bridge.

NOTE 7 LANDFILL

The Town of Burlington stopped accepting solid waste at its landfill site in 1991. State and federal laws and regulations require the Town to perform certain maintenance and monitoring functions at the landfill after the closure was completed. Monitoring and testing costs have averaged less than \$5,000 per year since 1991 and are budgeted annually in the General Fund. Any liability for landfill post closure is not considered to be material to these financial statements. However, due to changes in technology, laws or regulations, these costs may change in the future.

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF BURLINGTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022**

| | Budgeted Amounts | | | Variance with Final Budget - Positive (Negative) |
|--|----------------------|----------------------|----------------------|---|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Property Taxation: | | | | |
| Current Year Levy | \$ 32,414,883 | \$ 32,414,883 | \$ 33,128,143 | \$ 713,260 |
| Appropriated from Surplus | 317,136 | 317,136 | - | (317,136) |
| Interest Earned | 25,000 | 25,000 | 15,273 | (9,727) |
| Total Property Taxation | 32,757,019 | 32,757,019 | 33,143,416 | 386,397 |
| State and Federal Grants: | | | | |
| State of Connecticut | | | | |
| Town Aid Road | 261,940 | 261,940 | 262,574 | 634 |
| In Lieu of Taxes | 41,755 | 41,755 | 41,755 | - |
| Welfare and Elderly | - | - | 1,422 | 1,422 |
| Court Fines | 500 | 500 | 1,375 | 875 |
| Education | 3,830,374 | 3,830,374 | 3,995,268 | 164,894 |
| State Other grants for Muni Projects | 15,300 | 15,300 | 15,300 | - |
| State Muni Stabilization Grant | 34,417 | 34,417 | 34,417 | - |
| Senior Transportation Grant | 20,717 | 20,717 | 20,717 | - |
| Other miscellaneous grants | - | - | 4,067 | 4,067 |
| Total State and Federal Grants | 4,205,003 | 4,205,003 | 4,376,895 | 171,892 |
| Other Revenues: | | | | |
| Zoning and Building Permits | 168,000 | 168,000 | 250,285 | 82,285 |
| IWVC Permits | 1,000 | 1,000 | 4,092 | 3,092 |
| Peddlers/Other Permits | 200 | 200 | 1,125 | 925 |
| Pistol Permits | 8,000 | 8,000 | 5,740 | (2,260) |
| Town Clerk's Fees | 85,000 | 85,000 | 71,905 | (13,095) |
| Conveyance Taxes | 165,000 | 165,000 | 222,108 | 57,108 |
| Recreation Commission | 50,000 | 50,000 | 50,000 | - |
| WPCA - Farmington, Canton, Bristol Usage | 150,000 | 150,000 | 172,631 | 22,631 |
| WPCA - Lake Garda Farm/Bristol Assess | 115,000 | 115,000 | 132,329 | 17,329 |
| WPCA - Canton Pump Assessment (7 Year) | - | - | - | - |
| Waste Collection | 30,000 | 30,000 | 37,122 | 7,122 |
| Senior Housing | 65,000 | 65,000 | 65,000 | - |
| BVFD Ambulance Fees | 200,000 | 200,000 | 290,554 | 90,554 |
| BVFD Tower Rental | 112,000 | 112,000 | 121,735 | 9,735 |
| Miscellaneous | 20,000 | 20,000 | 40,590 | 20,590 |
| Total Charges for Other Revenues | 1,169,200 | 1,169,200 | 1,465,216 | 296,016 |
| Total Revenues | <u>\$ 38,131,222</u> | <u>\$ 38,131,222</u> | <u>\$ 38,985,527</u> | <u>\$ 854,305</u> |
| Budgetary revenues are different than GAAP revenues because: | | | | |
| Revaluation reserve fund revenues are not budgeted for | | | \$ 139 | |
| Retention pond maintenance reserve fund revenues are not budgeted for | | | 73 | |
| Snow removal reserve fund revenues are not budgeted for | | | 175 | |
| Cheer fund revenues are not budgeted for | | | 434 | |
| Performance bond fund revenues are not budgeted for | | | 58 | |
| Safe harbor fund revenues are not budgeted for | | | 4 | |
| The Town does not budget for certain capital and related revenues | | | 451,452 | |
| Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds - Exhibit IV | | | <u>\$ 39,437,862</u> | |

**TOWN OF BURLINGTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022**

| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) |
|----------------------------------|------------------|------------|------------|---|
| | Original | Final | | |
| Expenditures: | | | | |
| General Government: | | | | |
| Board of Selectmen | \$ 151,066 | \$ 161,509 | \$ 161,509 | \$ - |
| Human Resources | 1,500 | 1,022 | - | 1,022 |
| Probate Court | 3,200 | 3,200 | 3,200 | - |
| Inlands-Wetlands Commission | 1,600 | 2,078 | 2,078 | - |
| Elections | 42,500 | 42,500 | 37,843 | 4,657 |
| Board of Finance | 200 | 1,039 | 1,039 | - |
| Auditing | 32,900 | 32,900 | 32,900 | - |
| Assessors | 94,715 | 101,515 | 101,515 | - |
| Board of Assessment | 100 | 100 | 52 | 48 |
| Tax Collector | 83,970 | 83,970 | 80,406 | 3,564 |
| Finance Office | 177,920 | 209,582 | 209,582 | - |
| Town Counsel | 90,000 | 78,718 | 73,527 | 5,191 |
| Town Clerk | 121,729 | 121,729 | 120,786 | 943 |
| Planning and Zoning Board | 4,850 | 3,732 | 3,364 | 368 |
| Zoning Board of Appeals | 600 | 734 | 734 | - |
| Insurance & Bonds | 286,234 | 258,389 | 257,878 | 511 |
| Payroll Taxes | 225,000 | 223,212 | 214,422 | 8,790 |
| Economic Development Commission | 1,100 | 2,084 | 2,084 | - |
| Building Dept/Land Use | 181,120 | 186,444 | 186,443 | 1 |
| Pensions | 337,000 | 337,000 | 322,381 | 14,619 |
| Operating of Town Offices | 201,710 | 207,527 | 207,527 | - |
| Commission on Senior Citizens | 62,150 | 53,833 | 53,044 | 789 |
| Town Engineer | 60,000 | 70,098 | 70,097 | 1 |
| Health Insurance | 749,650 | 717,988 | 716,492 | 1,496 |
| Historical Society | 6,000 | 6,000 | 6,000 | - |
| Conservation Commission | 100 | 100 | 100 | - |
| Totals - Government | 2,916,914 | 2,907,003 | 2,865,003 | 42,000 |
| Public Safety: | | | | |
| Fire Marshall/Open Burning | 73,600 | 75,859 | 75,859 | - |
| Police Protection | 631,405 | 595,419 | 589,852 | 5,567 |
| Emergency Management | 3,020 | 3,020 | 2,994 | 26 |
| BVFD | 397,550 | 400,073 | 399,850 | 223 |
| Emergency Communication | 46,831 | 46,831 | 46,503 | 328 |
| Ambulance | 490,000 | 501,984 | 501,984 | - |
| Totals - Public Safety | 1,642,406 | 1,623,186 | 1,617,042 | 6,144 |
| Transportation Programs: | | | | |
| Public Works | 1,784,400 | 1,912,627 | 1,912,626 | 1 |
| Snow Removal | 271,000 | 279,988 | 279,988 | - |
| Street Lights | 23,000 | 18,100 | 18,030 | 70 |
| Totals - Transportation Programs | 2,078,400 | 2,210,715 | 2,210,644 | 71 |

(Continued on next page)

**TOWN OF BURLINGTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2022**

| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|------------------|---------------|---------------|---|
| | Original | Final | | |
| Sanitation | | | | |
| Town Dump | \$ 2,500 | \$ 4,640 | \$ 4,640 | \$ - |
| WPCA | 182,800 | 182,800 | 177,924 | 4,876 |
| Waste Removal | 1,007,870 | 991,520 | 991,244 | 276 |
| Totals - Sanitation | 1,193,170 | 1,178,960 | 1,173,808 | 5,152 |
| Conservation of Health: | | | | |
| Health District | 72,300 | 72,300 | 72,295 | 5 |
| Vital Statistics | 100 | 100 | 34 | 66 |
| Totals - Conservation of Health | 72,400 | 72,400 | 72,329 | 71 |
| Welfare: | | | | |
| General Assistance | 17,170 | 18,618 | 18,618 | - |
| Visiting Nurse Program | 2,500 | 2,500 | 2,500 | - |
| Totals - Welfare | 19,670 | 21,118 | 21,118 | - |
| Library: | | | | |
| Town Grant | 409,078 | 409,732 | 409,732 | - |
| Recreation: | | | | |
| Parks, Memorial and Flag Days | 10,050 | 8,602 | 8,009 | 593 |
| Recreational Commission | 242,716 | 233,728 | 230,140 | 3,588 |
| Totals - Recreation | 252,766 | 242,330 | 238,149 | 4,181 |
| Regional School District #10 | 27,612,122 | 27,612,122 | 27,612,122 | - |
| Debt Service: | | | | |
| Principal Payment of Debt | 422,820 | 422,820 | 422,814 | 6 |
| Interest | 163,630 | 163,630 | 163,630 | - |
| Totals - Debt Service | 586,450 | 586,450 | 586,444 | 6 |
| Capital Expense: | | | | |
| Highways | 228,720 | 230,507 | 230,507 | - |
| Town Hall | 1,500 | 1,500 | 1,496 | 4 |
| BVFD Reserve | 255,500 | 255,500 | 255,500 | - |
| Fire Department | 122,700 | 110,782 | 110,782 | - |
| Library | 10,676 | 10,276 | 9,298 | 978 |
| Park and Rec. | 75,136 | 65,027 | 65,000 | 27 |
| Totals - Capital Improvement | 694,232 | 673,592 | 672,583 | 1,009 |
| Miscellaneous: | | | | |
| Central Connecticut Planning Agency | 7,764 | 7,764 | 7,764 | - |
| Dog Fund | 40,000 | 40,000 | 40,000 | - |
| Hartford County Soil and Water | | | | |
| Conservation District | 850 | 850 | 850 | - |
| Contingency | 360,000 | 300,000 | 300,000 | - |
| Municipal Reserve | | - | - | - |
| Land Purchase | 15,000 | 15,000 | 15,000 | - |
| Revaluation | 8,000 | 8,000 | 8,000 | - |
| Bridge Project | 200,000 | 200,000 | 200,000 | - |
| Construction Projects | 22,000 | 22,000 | 22,000 | - |
| Totals - Miscellaneous | 653,614 | 593,614 | 593,614 | - |
| Total Appropriations and Expenditures | \$ 38,131,222 | \$ 38,131,222 | \$ 38,072,588 | \$ 58,634 |

**TOWN OF BURLINGTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Budgetary expenditures are different than GAAP expenditures because:

| | |
|---|----------------|
| Cheer fund expenditures are not budgeted for | \$ 274 |
| Safe harbor funds are not budgeted for | 9,611 |
| Transfer out elimination | (211,000) |
| The Town does not budget for certain capital and related expenditures | <u>437,765</u> |

Total Expenditures and Other Financing Sources as Reported on the Statement of Revenues,
Expenditures and Changes in Fund Balance - Governmental Funds - Exhibit IV

\$ 38,309,238

TOWN OF BURLINGTON, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
EMPLOYEES PENSION PLAN
LAST TEN FISCAL YEARS*

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total Pension Liability: | | | | | | | | | | |
| Service Cost | \$ 104,048 | \$ 136,645 | \$ 143,819 | \$ 152,413 | \$ 151,202 | \$ 167,085 | \$ 136,919 | \$ 118,364 | \$ 127,840 | \$ - |
| Interest on Total Pension Liability | 243,950 | 240,392 | 228,082 | 222,102 | 205,380 | 165,159 | 159,526 | 146,082 | 141,691 | - |
| Difference Between Expected and Actual Experience | (82,191) | (195,241) | 86,382 | (71,784) | (55,735) | (83,278) | (49,556) | 32,022 | 400,228 | - |
| Effect of Assumption Changes or Inputs | - | - | - | - | - | 497,799 | - | - | - | - |
| Benefit Payments, Including Refunds of Member Contributions | (63,182) | (211,092) | (366,707) | (40,741) | (87,046) | (272,778) | (40,741) | (179,655) | (728,405) | - |
| Net Change in Total Pension Liability | 202,625 | (29,296) | 91,576 | 261,990 | 213,801 | 473,987 | 206,148 | 116,813 | (58,646) | - |
| Total Pension Liability - Beginning | 3,519,224 | 3,548,520 | 3,456,944 | 3,194,954 | 2,981,153 | 2,507,166 | 2,301,018 | 2,184,205 | 2,242,851 | - |
| Total Pension Liability - Ending | 3,721,849 | 3,519,224 | 3,548,520 | 3,456,944 | 3,194,954 | 2,981,153 | 2,507,166 | 2,301,018 | 2,184,205 | 2,242,851 |
| Plan Fiduciary Net Position: | | | | | | | | | | |
| Contributions - Employer | 47,753 | 206,123 | 165,960 | 252,483 | 232,725 | 168,521 | 126,249 | 163,518 | 189,680 | 211,038 |
| Contributions - Employee | 63,390 | 66,583 | 70,425 | 67,581 | 74,660 | 67,509 | 62,672 | 60,857 | 61,589 | 61,677 |
| Net Change in Fair Value of Investments | (490,918) | 882,792 | 233,059 | 225,186 | 189,848 | 207,875 | (26,878) | 79,571 | 282,549 | 200,619 |
| Interest and Dividends | 72,444 | | | | | | | | | |
| Benefit Payments, Including Refunds of Member Contributions | (63,182) | (211,092) | (366,707) | (40,741) | (87,046) | (272,778) | (40,741) | (179,655) | (728,405) | (202,702) |
| Other | | | | - | | (10,207) | (6,374) | (7,013) | (7,578) | (7,562) |
| Net Change in Plan Fiduciary Net Position | (370,513) | 944,406 | 102,737 | 504,509 | 410,187 | 160,920 | 114,928 | 117,278 | (202,165) | 263,070 |
| Plan Fiduciary Net Position - Beginning | 4,066,679 | 3,122,273 | 3,019,536 | 2,515,027 | 2,104,840 | 1,943,920 | 1,828,992 | 1,711,714 | 1,913,879 | 1,650,809 |
| Plan Fiduciary Net Position - Ending | 3,696,166 | 4,066,679 | 3,122,273 | 3,019,536 | 2,515,027 | 2,104,840 | 1,943,920 | 1,828,992 | 1,711,714 | 1,913,879 |
| Town's Net Pension Liability (Asset) | <u>\$ 25,683</u> | <u>\$ (547,455)</u> | <u>\$ 426,247</u> | <u>\$ 437,408</u> | <u>\$ 679,927</u> | <u>\$ 876,313</u> | <u>\$ 563,246</u> | <u>\$ 472,026</u> | <u>\$ 472,491</u> | <u>\$ 328,972</u> |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 99.31% | 115.56% | 87.99% | 87.35% | 78.72% | 70.60% | 77.53% | 79.49% | 78.37% | 85.33% |
| Covered Payroll | \$ 816,020 | \$ 1,024,351 | \$ 1,083,628 | \$ 1,093,382 | \$ 1,236,196 | \$ 1,188,343 | \$ 1,193,593 | \$ 1,163,324 | \$ 1,234,846 | \$ 1,182,724 |
| Town Net Pension (Asset) Liability as a Percentage of Covered Payroll | 3.15% | -53.44% | 39.34% | 40.01% | 55.00% | 73.74% | 47.19% | 40.58% | 38.26% | 27.81% |

**TOWN OF BURLINGTON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
EMPLOYEES PENSION PLAN
LAST TEN FISCAL YEARS***

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|--------------------|--------------------|-------------------|--------------------|--------------------|-------------------|------------------|--------------------|--------------------|--------------------|
| Actuarially Determined Contribution* | \$ 89,995 | \$ 214,187 | \$ 235,240 | \$ 257,947 | \$ 289,223 | \$ 231,827 | \$ 202,326 | \$ 155,390 | \$ 170,235 | \$ 220,598 |
| Contributions in Relation to the Actuarially Determined Contribution | <u>111,143</u> | <u>272,706</u> | <u>236,385</u> | <u>320,064</u> | <u>307,385</u> | <u>236,030</u> | <u>188,921</u> | <u>224,375</u> | <u>251,269</u> | <u>272,715</u> |
| Contribution Deficiency (Excess) | <u>\$ (21,148)</u> | <u>\$ (58,519)</u> | <u>\$ (1,145)</u> | <u>\$ (62,117)</u> | <u>\$ (18,162)</u> | <u>\$ (4,203)</u> | <u>\$ 13,405</u> | <u>\$ (68,985)</u> | <u>\$ (81,034)</u> | <u>\$ (52,117)</u> |
| Covered Payroll | \$ 816,020 | \$ 1,024,351 | \$ 1,083,628 | \$ 1,093,382 | \$ 1,236,196 | \$ 1,188,343 | \$ 1,193,593 | \$ 1,163,324 | \$ 1,234,846 | \$ 1,182,724 |
| Contributions as a Percentage of Covered Payroll | 13.62% | 26.62% | 21.81% | 29.27% | 24.87% | 19.86% | 15.83% | 19.29% | 20.35% | 23.06% |

Notes to Schedule:

Valuation Date: July 1, 2022
Measurement Date: June 30, 2022

Methods and Assumptions Used to Determine

Contribution Rates:

| | |
|---------------------------|--|
| Actuarial Cost Method | Aggregate |
| Asset Valuation Method | Market value |
| Inflation | None (included in investment return) |
| Salary Increases | 4.00% average, including inflation |
| Investment Rate of Return | 7.0%, preretirement; 6.0% postretirement |

Changes In Assumptions

* Contribution amounts for fiscal year ending June 30, 2014 and prior are Annual Required Contribution (ARC) under GASB 27.

TOWN OF BURLINGTON, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
CONSTABLES PENSION PLAN
LAST TEN FISCAL YEARS*

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|-------------------|---------------------|------------------|------------------|-------------------|-------------------|-------------------|------------------|--------------------|------------------|
| Total Pension Liability: | | | | | | | | | | |
| Service Cost | \$ 62,846 | \$ 84,027 | \$ 85,772 | \$ 72,298 | \$ 75,113 | \$ 71,313 | \$ 46,894 | \$ 47,399 | \$ 3,723 | \$ - |
| Interest on Total Pension Liability | 88,370 | 75,300 | 68,593 | 66,100 | 60,307 | 49,241 | 46,956 | 41,645 | 41,116 | - |
| Difference Between Expected and Actual Experience | 9,751 | 96,584 | (465) | (46,287) | 3,822 | (52,654) | (4,221) | 43,812 | 39,159 | - |
| Effect of Assumption Changes or Inputs | - | - | - | - | - | 146,889 | - | - | - | - |
| Benefit Payments, Including Refunds of Member Contributions | (77,414) | (59,466) | (56,484) | (56,484) | (56,484) | (56,984) | (56,984) | (56,984) | (56,984) | - |
| Net Change in Total Pension Liability | 83,553 | 196,445 | 97,416 | 35,627 | 82,758 | 157,805 | 32,645 | 75,872 | 27,014 | - |
| Total Pension Liability - Beginning | 1,304,363 | 1,107,918 | 1,010,502 | 974,875 | 892,117 | 734,312 | 701,667 | 625,795 | 598,781 | - |
| Total Pension Liability - Ending | 1,387,916 | 1,304,363 | 1,107,918 | 1,010,502 | 974,875 | 892,117 | 734,312 | 701,667 | 625,795 | 598,781 |
| Plan Fiduciary Net Position: | | | | | | | | | | |
| Contributions - Employer | 30,989 | 86,392 | 50,219 | 108,764 | 91,675 | 47,320 | 37,488 | 7,441 | 21,114 | 8,476 |
| Contributions - Employee | 25,372 | 27,500 | 26,289 | 22,223 | 22,271 | 25,862 | 23,693 | 20,788 | 10,961 | 4,463 |
| Net change in fair value of investments | (175,068) | 311,267 | 78,567 | 74,182 | 63,829 | 69,281 | (9,048) | 28,705 | 94,354 | 63,190 |
| Interest and Dividends | 25,834 | | | | | | | | | |
| Benefit Payments, Including Refunds of Member Contributions | (77,414) | (59,466) | (56,484) | (56,484) | (56,484) | (56,484) | (56,484) | (56,984) | (56,984) | (56,484) |
| Other | - | - | - | - | - | (1,856) | (1,159) | (1,403) | (659) | (658) |
| Net Change In Plan Fiduciary Net Position | (170,287) | 365,693 | 98,591 | 148,685 | 121,291 | 84,123 | (5,510) | (1,453) | 68,786 | 18,987 |
| Plan Fiduciary Net Position - Beginning | 1,450,237 | 1,084,544 | 985,953 | 837,268 | 715,977 | 631,854 | 637,364 | 638,817 | 570,031 | 551,044 |
| Plan Fiduciary Net Position - Ending | 1,279,950 | 1,450,237 | 1,084,544 | 985,953 | 837,268 | 715,977 | 631,854 | 637,364 | 638,817 | 570,031 |
| Town's Net Pension Liability (Asset) | <u>\$ 107,966</u> | <u>\$ (145,874)</u> | <u>\$ 23,374</u> | <u>\$ 24,549</u> | <u>\$ 137,607</u> | <u>\$ 176,140</u> | <u>\$ 102,458</u> | <u>\$ 64,303</u> | <u>\$ (13,022)</u> | <u>\$ 28,750</u> |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 92.22% | 111.18% | 97.89% | 97.57% | 85.88% | 80.26% | 86.05% | 90.84% | 102.08% | 95.20% |
| Covered Payroll | \$ 356,196 | \$ 433,285 | \$ 415,742 | \$ 628,520 | \$ 431,945 | \$ 449,991 | \$ 394,877 | \$ 346,460 | \$ 178,078 | \$ 144,184 |
| Town Net Pension (Asset) Liability as a Percentage of Covered Payroll | 30.31% | -33.67% | 5.62% | 3.91% | 31.86% | 39.14% | 25.95% | 18.56% | -7.31% | 19.94% |

**TOWN OF BURLINGTON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
CONSTABLES PENSION PLAN
LAST TEN FISCAL YEARS***

| | 2021 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|------------------|--------------------|-----------------|--------------------|-------------------|-------------------|-----------------|---------------|-------------------|-----------------|
| Actuarially Determined Contribution* | \$ 89,637 | \$ 66,846 | \$ 76,137 | \$ 105,565 | \$ 107,213 | \$ 71,062 | \$ 66,575 | \$ 28,296 | \$ 24,310 | \$ 12,778 |
| Contributions in Relation to the Actuarially Determined Contribution | <u>56,361</u> | <u>113,892</u> | <u>76,508</u> | <u>130,987</u> | <u>113,945</u> | <u>73,182</u> | <u>61,181</u> | <u>28,229</u> | <u>32,075</u> | <u>12,939</u> |
| Contribution Deficiency (Excess) | <u>\$ 33,276</u> | <u>\$ (47,046)</u> | <u>\$ (371)</u> | <u>\$ (25,422)</u> | <u>\$ (6,732)</u> | <u>\$ (2,120)</u> | <u>\$ 5,394</u> | <u>\$ 67</u> | <u>\$ (7,765)</u> | <u>\$ (161)</u> |
| Covered Payroll | \$ 356,196 | \$ 433,285 | \$ 415,742 | \$ 628,520 | \$ 431,945 | \$ 449,991 | \$ 394,877 | \$ 346,460 | \$ 178,078 | \$ 144,184 |
| Contributions as a Percentage of Covered Payroll | 15.82% | 26.29% | 18.40% | 20.84% | 26.38% | 16.26% | 15.49% | 8.15% | 18.01% | 8.97% |

Notes to Schedule:

Valuation Date: July 1, 2022
Measurement Date: June 30, 2022

Methods and Assumptions Used to Determine
Contribution Rates:

| | |
|---------------------------|--|
| Actuarial Cost Method | Aggregate |
| Asset Valuation Method | Market value |
| Inflation | None (included in investment return) |
| Salary Increases | 4.00% average, including inflation |
| Investment Rate of Return | 7.0%, preretirement; 6.0% postretirement |

Changes in Assumptions

* Contribution amounts for fiscal year ending June 30, 2014 and prior are Annual Required Contribution (ARC) under GASB 27.

**TOWN OF BURLINGTON, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
PENSION PLAN
LAST TEN FISCAL YEARS***

Employees Pension Plan

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|---------|--------|-------|-------|-------|--------|--------|-------|--------|--------|
| Annual Money-Weighted Rate of Return, Net of Investment Expense: | -10.23% | 28.00% | 7.89% | 8.48% | 8.57% | 10.82% | -1.41% | 4.26% | 16.05% | 12.67% |

Constables Pension Plan

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|---------|--------|-------|-------|-------|--------|--------|-------|--------|--------|
| Annual Money-Weighted Rate of Return, Net of Investment Expense: | -10.37% | 28.00% | 7.89% | 8.48% | 8.57% | 10.84% | -1.42% | 4.32% | 16.76% | 12.07% |

Notes to Schedule:

* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

**TOWN OF BURLINGTON, CONNECTICUT
COMBINING BALANCE SHEET
GENERAL FUND
JUNE 30, 2022**

| | General Fund | Revaluation Reserve Fund | Retention Pond Maintenance Reserve Fund | Snow Removal Reserve Fund | Cheer Fund | Pension Reserve Fund | Eliminations | Total General Funds |
|--|----------------------|--------------------------------|--|------------------------------------|---------------|----------------------------|---------------------|---------------------------|
| ASSETS | | | | | | | | |
| Cash and Cash Equivalents | \$ 9,362,420 | \$ 181,539 | \$ 89,667 | \$ 214,267 | \$ 860 | \$ - | \$ - | \$ 9,848,753 |
| Investments | 686,985 | - | - | - | - | - | - | 686,985 |
| Grants Receivable | 32,585 | - | - | - | - | - | - | 32,585 |
| Accounts Receivable | 113,115 | - | - | - | - | - | - | 113,115 |
| Property Taxes and Interest Receivable | 377,074 | - | - | - | - | - | - | 377,074 |
| Sewer Assessment And Interest Receivable | 154,364 | - | - | - | - | - | - | 154,364 |
| Lease Receivable | 584,533 | - | - | - | - | - | - | 584,533 |
| Interfund Receivables | 68,248 | - | - | - | - | 203,000 | (203,000) | 68,248 |
| Total Assets | <u>\$ 11,379,324</u> | <u>\$ 181,539</u> | <u>\$ 89,667</u> | <u>\$ 214,267</u> | <u>\$ 860</u> | <u>\$ 203,000</u> | <u>\$ (203,000)</u> | <u>\$ 11,865,657</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | | | |
| LIABILITIES | | | | | | | | |
| Accounts Payable and Accrued Liabilities | \$ 697,958 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 697,958 |
| Due to State of Connecticut | 221,126 | - | - | - | - | - | - | 221,126 |
| Interfund Payables | 1,240,851 | - | - | - | - | - | (203,000) | 1,037,851 |
| Unearned Revenue | 9,906 | - | - | - | - | - | - | 9,906 |
| Total Liabilities | <u>2,169,841</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(203,000)</u> | <u>1,966,841</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Unavailable Revenue - Property Taxes | 277,176 | - | - | - | - | - | - | 277,176 |
| Unavailable Revenue - Sewer Assessments | 102,725 | - | - | - | - | - | - | 102,725 |
| Lease Related | 578,765 | - | - | - | - | - | - | 578,765 |
| Total Deferred Inflows of Resources | <u>958,666</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>958,666</u> |
| FUND BALANCES | | | | | | | | |
| Committed | - | 181,539 | 89,667 | 214,267 | 860 | 203,000 | - | 689,333 |
| Assigned to: | | | | | | | | |
| Subsequent Year's Budget | 231,411 | - | - | - | - | - | - | 231,411 |
| Other Purposes | 887,139 | - | - | - | - | - | - | 887,139 |
| Unassigned | 7,132,267 | - | - | - | - | - | - | 7,132,267 |
| Total Fund Balances | <u>8,250,817</u> | <u>181,539</u> | <u>89,667</u> | <u>214,267</u> | <u>860</u> | <u>203,000</u> | <u>-</u> | <u>8,940,150</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 11,379,324</u> | <u>\$ 181,539</u> | <u>\$ 89,667</u> | <u>\$ 214,267</u> | <u>\$ 860</u> | <u>\$ 203,000</u> | <u>\$ (203,000)</u> | <u>\$ 11,865,657</u> |

TOWN OF BURLINGTON, CONNECTICUT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED JUNE 30, 2022

| | General Fund | Revaluation Reserve Fund | Retention Pond Maintenance Reserve Fund | Snow Removal Reserve Fund | Cheer Fund | Pension Reserve Fund | Eliminations | Total General Funds |
|--|---------------------|--------------------------------|--|------------------------------------|---------------|----------------------------|--------------|---------------------------|
| REVENUES | | | | | | | | |
| Property Taxes | \$ 33,128,143 | \$ - | - | \$ - | \$ - | \$ - | \$ - | \$ 33,128,143 |
| Intergovernmental Revenues | 4,689,739 | - | - | - | - | - | - | 4,689,739 |
| Charges for Services | 1,384,347 | - | - | - | - | - | - | 1,384,347 |
| Investment Income | 15,331 | 139 | 73 | 175 | - | - | - | 15,718 |
| Contributions and Miscellaneous | 94,510 | - | - | - | 434 | - | - | 94,944 |
| Total Revenues | 39,312,070 | 139 | 73 | 175 | 434 | - | - | 39,312,891 |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| General Government | 2,723,062 | - | - | - | 274 | - | - | 2,723,336 |
| Public Safety | 1,617,042 | - | - | - | - | - | - | 1,617,042 |
| Highway | 2,254,839 | - | - | - | - | - | - | 2,254,839 |
| Sanitation | 1,169,168 | - | - | - | - | - | - | 1,169,168 |
| Health and Welfare | 76,969 | - | - | - | - | - | - | 76,969 |
| Library | 426,158 | - | - | - | - | - | - | 426,158 |
| Recreation | 259,267 | - | - | - | - | - | - | 259,267 |
| Education | 27,612,122 | - | - | - | - | - | - | 27,612,122 |
| Debt Service: | | | | | | | | |
| Principal Payments | 422,814 | - | - | - | - | - | - | 422,814 |
| Interest and Fiscal Charges | 163,630 | - | - | - | - | - | - | 163,630 |
| Capital Outlay | 252,791 | - | - | - | - | - | - | 252,791 |
| Miscellaneous | 9,611 | - | - | - | - | - | - | 9,611 |
| Total Expenditures | 36,987,473 | - | - | - | 274 | - | - | 36,987,747 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 2,324,597 | 139 | 73 | 175 | 160 | - | - | 2,325,144 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | 124,971 | 8,000 | - | - | - | 203,000 | (211,000) | 124,971 |
| Transfers Out | (1,532,491) | - | - | - | - | - | 211,000 | (1,321,491) |
| Total Other Financing Sources | (1,407,520) | 8,000 | - | - | - | 203,000 | - | (1,196,520) |
| NET CHANGE IN FUND BALANCES | 917,077 | 8,139 | 73 | 175 | 160 | 203,000 | - | 1,128,624 |
| Fund Balances - Beginning of Year | 7,333,740 | 173,400 | 89,594 | 214,092 | 700 | - | - | 7,811,526 |
| FUND BALANCES AT END OF YEAR | <u>\$ 8,250,817</u> | <u>\$ 181,539</u> | <u>89,667</u> | <u>\$ 214,267</u> | <u>\$ 860</u> | <u>\$ 203,000</u> | <u>\$ -</u> | <u>\$ 8,940,150</u> |

**TOWN OF BURLINGTON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022**

| | Special Revenue Funds | | | | | | | |
|--|--------------------------|---|------------------------------|------------------|-------------------------|--|-----------------------|-----------------------------|
| | Historic Preservation | Substance Abuse Prevention Program | Sewer Maintenance Fund | Dog Fund | Small Cities Fund | Food and Fuel Assistance Fund | Tavern Day Fund | Recreation Board Fund |
| ASSETS | | | | | | | | |
| Cash and Cash Equivalents | \$ 12,040 | \$ 1,187 | \$ 704,238 | \$ 58,802 | \$ 41,774 | \$ 70,748 | \$ 8,866 | \$ 152,246 |
| Receivables | - | - | - | - | 183,364 | - | - | - |
| Interfund Receivables | - | - | - | - | - | - | - | - |
| Total Assets | <u>\$ 12,040</u> | <u>\$ 1,187</u> | <u>\$ 704,238</u> | <u>\$ 58,802</u> | <u>\$ 225,138</u> | <u>\$ 70,748</u> | <u>\$ 8,866</u> | <u>\$ 152,246</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | | | |
| LIABILITIES | | | | | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ 7,063 | \$ - | \$ - | \$ - | \$ - |
| Unearned Revenue | - | - | - | 752 | - | - | - | - |
| Interfund Payables | - | - | 29,380 | 37,855 | - | - | - | - |
| Total Liabilities | - | - | 29,380 | 45,670 | - | - | - | - |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Unavailable Revenues - Loans | - | - | - | - | 183,364 | - | - | - |
| FUND BALANCES | | | | | | | | |
| Restricted | 12,040 | 1,187 | - | 13,132 | 41,774 | 70,748 | 8,866 | - |
| Committed | - | - | 674,858 | - | - | - | - | 152,246 |
| Total Fund Balances | <u>12,040</u> | <u>1,187</u> | <u>674,858</u> | <u>13,132</u> | <u>41,774</u> | <u>70,748</u> | <u>8,866</u> | <u>152,246</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 12,040</u> | <u>\$ 1,187</u> | <u>\$ 704,238</u> | <u>\$ 58,802</u> | <u>\$ 225,138</u> | <u>\$ 70,748</u> | <u>\$ 8,866</u> | <u>\$ 152,246</u> |

**TOWN OF BURLINGTON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2022**

| | Special Revenue Funds | | | Capital Project Funds | | | | | |
|--|---------------------------------|-------------------------------|---------------------------------------|------------------------|------------------------------|-----------------------------|------------------------------|-----------------------------------|------------------------------|
| | Emergency Management Fund | Project Graduation Fund | Senior Special Purposes Fund | Town Center Fund | Highway Equipment Fund | Land Purchase Reserve | BVFD Equipment Reserve | Monce Road FD Building Fund | Police Capital Reserve |
| ASSETS | | | | | | | | | |
| Cash and Cash Equivalents | \$ 1,239 | \$ 2,980 | \$ 22,800 | \$ 6,895 | \$ 812,987 | \$ 90,764 | \$ 568,999 | \$ - | \$ 182,875 |
| Receivables | - | - | - | - | - | - | - | - | - |
| Interfund Receivables | - | - | - | - | 283,034 | - | 354,793 | - | 126,199 |
| Total Assets | <u>\$ 1,239</u> | <u>\$ 2,980</u> | <u>\$ 22,800</u> | <u>\$ 6,895</u> | <u>\$ 1,096,021</u> | <u>\$ 90,764</u> | <u>\$ 923,792</u> | <u>\$ -</u> | <u>\$ 309,074</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | | | | |
| LIABILITIES | | | | | | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ - | - | \$ - | \$ - | \$ - | \$ - |
| Unearned Revenue | - | - | - | - | - | - | - | - | - |
| Interfund Payables | - | - | - | - | - | - | - | - | - |
| Total Liabilities | - | - | - | - | - | - | - | - | - |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | | |
| Unavailable Revenues - Loans | - | - | - | - | - | - | - | - | - |
| FUND BALANCES | | | | | | | | | |
| Restricted | 1,239 | 2,980 | 22,800 | - | - | - | - | - | - |
| Committed | - | - | - | 6,895 | 1,096,021 | 90,764 | 923,792 | - | 309,074 |
| Total Fund Balances | <u>1,239</u> | <u>2,980</u> | <u>22,800</u> | <u>6,895</u> | <u>1,096,021</u> | <u>90,764</u> | <u>923,792</u> | <u>-</u> | <u>309,074</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 1,239</u> | <u>\$ 2,980</u> | <u>\$ 22,800</u> | <u>\$ 6,895</u> | <u>\$ 1,096,021</u> | <u>\$ 90,764</u> | <u>\$ 923,792</u> | <u>\$ -</u> | <u>\$ 309,074</u> |

**TOWN OF BURLINGTON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2022**

| | Capital Project Funds | | | | | | Total |
|--|-----------------------------|--------------------|-------------------|--------------------------|------------------------------------|---------------|---------------------|
| | Town Hall Renovations | IT Reserve Fund | Barrel Fund | Farmland Preservation | Parks and Recreation Fund | LOCIP Fund | |
| ASSETS | | | | | | | |
| Cash and Cash Equivalents | \$ 117,623 | \$ 46,556 | \$ 110,891 | \$ 85,689 | \$ 822,526 | \$ - | \$ 3,922,725 |
| Receivables | - | - | - | - | - | - | 183,364 |
| Interfund Receivables | - | - | - | - | 65,000 | - | 829,026 |
| Total Assets | <u>\$ 117,623</u> | <u>\$ 46,556</u> | <u>\$ 110,891</u> | <u>\$ 85,689</u> | <u>\$ 887,526</u> | <u>\$ -</u> | <u>\$ 4,935,115</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | | |
| LIABILITIES | | | | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 7,063 |
| Unearned Revenue | - | - | - | - | - | - | 752 |
| Interfund Payables | - | - | - | - | - | - | 67,235 |
| Total Liabilities | - | - | - | - | - | - | 75,050 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Unavailable Revenues - Loans | - | - | - | - | - | - | 183,364 |
| FUND BALANCES | | | | | | | |
| Restricted | - | - | - | - | - | - | 174,766 |
| Committed | 117,623 | 46,556 | 110,891 | 85,689 | 887,526 | - | 4,501,935 |
| Total Fund Balances | <u>117,623</u> | <u>46,556</u> | <u>110,891</u> | <u>85,689</u> | <u>887,526</u> | <u>-</u> | <u>4,676,701</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 117,623</u> | <u>\$ 46,556</u> | <u>\$ 110,891</u> | <u>\$ 85,689</u> | <u>\$ 887,526</u> | <u>\$ -</u> | <u>\$ 4,935,115</u> |

**TOWN OF BURLINGTON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2022**

| | Special Revenue Funds | | | | | | | |
|--|--------------------------|---|------------------------------|-------------|-------------------------|--|-----------------------|-----------------------------|
| | Historic Preservation | Substance Abuse Prevention Program | Sewer Maintenance Fund | Dog Fund | Small Cities Fund | Food and Fuel Assistance Fund | Tavern Day Fund | Recreation Board Fund |
| REVENUES | | | | | | | | |
| Charges for Services | \$ 2,642 | \$ - | \$ 43,370 | \$ 9,905 | \$ - | \$ - | \$ - | \$ 160,292 |
| Intergovernmental Revenues | - | - | - | - | - | - | - | - |
| Contributions and Miscellaneous | - | - | - | 8,882 | - | 29,778 | 5,216 | - |
| Interest Revenue | 13 | - | 631 | - | 33 | - | 8 | - |
| Total Revenues | 2,655 | - | 44,001 | 18,787 | 33 | 29,778 | 5,224 | 160,292 |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| General Government | 7,445 | - | 141,897 | - | - | - | 7,111 | - |
| Public Safety | - | - | - | 51,790 | - | - | - | - |
| Recreation | - | - | - | - | - | - | - | 110,885 |
| Health and Welfare | - | 8,480 | - | - | - | 13,152 | - | - |
| Capital Outlay | - | - | - | - | - | - | - | - |
| Total Expenditures | 7,445 | 8,480 | 141,897 | 51,790 | - | 13,152 | 7,111 | 110,885 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (4,790) | (8,480) | (97,896) | (33,003) | 33 | 16,626 | (1,887) | 49,407 |
| OTHER FINANCING SOURCES | | | | | | | | |
| Transfers In | - | - | 24,416 | 40,000 | - | - | - | - |
| Transfers Out | - | - | (53,796) | - | - | - | - | - |
| Sale of Asset | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | (29,380) | 40,000 | - | - | - | - |
| NET CHANGE IN FUND BALANCES | (4,790) | (8,480) | (127,276) | 6,997 | 33 | 16,626 | (1,887) | 49,407 |
| Fund Balances - Beginning of Year | 16,830 | 9,667 | 802,134 | 6,135 | 41,741 | 54,122 | 10,753 | 102,839 |
| FUND BALANCES - END OF YEAR | \$ 12,040 | \$ 1,187 | \$ 674,858 | \$ 13,132 | \$ 41,774 | \$ 70,748 | \$ 8,866 | \$ 152,246 |

**TOWN OF BURLINGTON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2022**

| | Special Revenue Funds | | | Capital Projects Funds | | | | | |
|--|---------------------------------|-------------------------------|---------------------------------------|------------------------|------------------------------|-----------------------------|------------------------------|-----------------------------------|------------------------------|
| | Emergency Management Fund | Project Graduation Fund | Senior Special Purposes Fund | Town Center Fund | Highway Equipment Fund | Land Purchase Reserve | BVFD Equipment Reserve | Monce Road FD Building Fund | Police Capital Reserve |
| REVENUES | | | | | | | | | |
| Charges for Services | \$ - | \$ 45,019 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental Revenues | - | - | - | - | - | - | - | - | - |
| Contributions and Miscellaneous | - | - | - | - | - | - | - | - | - |
| Interest Revenue | 1 | - | - | - | 660 | 59 | 434 | 98 | 211 |
| Total Revenues | 1 | 45,019 | - | - | 660 | 59 | 434 | 98 | 211 |
| EXPENDITURES | | | | | | | | | |
| Current: | | | | | | | | | |
| General Government | - | 44,717 | - | - | - | - | - | - | - |
| Public Safety | - | - | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | - | - | - |
| Health and Welfare | - | - | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | 18,505 | - | 19,930 | - | 148,685 |
| Total Expenditures | - | 44,717 | - | - | 18,505 | - | 19,930 | - | 148,685 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 1 | 302 | - | - | (17,845) | 59 | (19,496) | 98 | (148,474) |
| OTHER FINANCING SOURCES | | | | | | | | | |
| Transfers In | - | - | - | - | 274,083 | 15,000 | 354,793 | - | 126,199 |
| Transfers Out | - | - | - | - | - | - | - | (38) | - |
| Sale of Asset | - | - | - | - | 10,428 | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - | 284,511 | 15,000 | 354,793 | (38) | 126,199 |
| NET CHANGE IN FUND BALANCES | 1 | 302 | - | - | 266,666 | 15,059 | 335,297 | 60 | (22,275) |
| Fund Balances - Beginning of Year | 1,238 | 2,678 | 22,800 | 6,895 | 829,355 | 75,705 | 588,495 | (60) | 331,349 |
| FUND BALANCES - END OF YEAR | <u>\$ 1,239</u> | <u>\$ 2,980</u> | <u>\$ 22,800</u> | <u>\$ 6,895</u> | <u>\$ 1,096,021</u> | <u>\$ 90,764</u> | <u>\$ 923,792</u> | <u>\$ -</u> | <u>\$ 309,074</u> |

**TOWN OF BURLINGTON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2022**

| | Capital Projects Funds | | | | | | |
|--|-----------------------------|--------------------|-------------------|--------------------------|------------------------------------|---------------|---------------------|
| | Town Hall Renovations | IT Reserve Fund | Barrel Fund | Farmland Preservation | Parks and Recreation Fund | LOCIP Fund | Total |
| REVENUES | | | | | | | |
| Charges for Services | \$ - | \$ - | \$ 1,890 | \$ 3,962 | \$ - | \$ - | \$ 267,080 |
| Intergovernmental Revenues | - | - | - | - | - | 75,000 | 75,000 |
| Contributions and Miscellaneous | - | - | - | - | - | - | 43,876 |
| Interest Revenue | 95 | 38 | 90 | 60 | 722 | - | 3,153 |
| Total Revenues | 95 | 38 | 1,980 | 4,022 | 722 | 75,000 | 389,109 |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General Government | - | - | - | - | - | - | 201,170 |
| Public Safety | - | - | - | - | - | - | 51,790 |
| Recreation | - | - | - | - | - | - | 110,885 |
| Health and Welfare | - | - | - | - | - | - | 21,632 |
| Capital Outlay | - | - | - | - | 72,266 | 75,000 | 334,386 |
| Total Expenditures | - | - | - | - | 72,266 | 75,000 | 719,863 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 95 | 38 | 1,980 | 4,022 | (71,544) | - | (330,754) |
| OTHER FINANCING SOURCES | | | | | | | |
| Transfers In | - | - | - | - | 65,000 | - | 899,491 |
| Transfers Out | - | - | - | - | - | - | (53,834) |
| Sale of Asset | - | - | - | - | - | - | 10,428 |
| Total Other Financing Sources (Uses) | - | - | - | - | 65,000 | - | 856,085 |
| NET CHANGE IN FUND BALANCES | 95 | 38 | 1,980 | 4,022 | (6,544) | - | 525,331 |
| Fund Balances - Beginning of Year | 117,528 | 46,518 | 108,911 | 81,667 | 894,070 | - | 4,151,370 |
| FUND BALANCES - END OF YEAR | <u>\$ 117,623</u> | <u>\$ 46,556</u> | <u>\$ 110,891</u> | <u>\$ 85,689</u> | <u>\$ 887,526</u> | <u>\$ -</u> | <u>\$ 4,676,701</u> |

**TOWN OF BURLINGTON, CONNECTICUT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022**

| | Business-Type Activities - Enterprise Funds | | |
|--|---|---------------|------------|
| | Nonmajor Funds | | |
| | Senior Housing Fund | Water Fund | Total |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and Cash Equivalents | \$ 56,185 | \$ 14,421 | \$ 70,606 |
| Investments | 98,545 | - | 98,545 |
| Receivables | 440 | 1,389 | 1,829 |
| Total Current Assets | 155,170 | 15,810 | 170,980 |
| NONCURRENT ASSETS | | | |
| Capital Assets, Net of Accumulated Depreciation | 1,826 | - | 1,826 |
| Total Noncurrent Assets | 1,826 | - | 1,826 |
| Total Assets | 156,996 | 15,810 | 172,806 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Accounts Payable and Accrued Liabilities | 28,404 | - | 28,404 |
| Due to Other Funds | 1,013 | - | 1,013 |
| Total Current Liabilities | 29,417 | - | 29,417 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 1,826 | - | 1,826 |
| Unrestricted | 125,753 | 15,810 | 141,563 |
| Total Net Position | \$ 127,579 | \$ 15,810 | \$ 143,389 |

TOWN OF BURLINGTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

| | Business-Type Activities - Enterprise Funds | | |
|---|---|---------------|------------|
| | Nonmajor Funds | | |
| | Senior Housing Fund | Water Fund | Total |
| OPERATING REVENUES | | | |
| Rent | \$ 247,941 | \$ - | \$ 247,941 |
| Service Revenue | 4,542 | - | 4,542 |
| Water Charges for Services | - | 4,808 | 4,808 |
| Total Operating Revenues | 252,483 | 4,808 | 257,291 |
| OPERATING EXPENSES | | | |
| Water Purchased | - | 5,094 | 5,094 |
| Salaries and Benefits | 36,686 | - | 36,686 |
| Contractual and Purchased Services | 16,440 | - | 16,440 |
| Utilities | 66,426 | - | 66,426 |
| Repairs and Maintenance | 99,892 | - | 99,892 |
| Materials and Supplies | 2,111 | - | 2,111 |
| Administration | 1,669 | - | 1,669 |
| Depreciation | 4,031 | - | 4,031 |
| Total Operating Expenses | 227,255 | 5,094 | 232,349 |
| OPERATING INCOME (LOSS) | 25,228 | (286) | 24,942 |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Income on Investments | 706 | - | 706 |
| INCOME (LOSS) BEFORE TRANSFERS | 25,934 | (286) | 25,648 |
| Transfers Out | (65,000) | - | (65,000) |
| CHANGE IN NET POSITION | (39,066) | (286) | (39,352) |
| Net Position - Beginning of Year | 166,645 | 16,096 | 182,741 |
| NET POSITION - END OF YEAR | \$ 127,579 | \$ 15,810 | \$ 143,389 |

**TOWN OF BURLINGTON, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022**

| | Business-Type Activities - Enterprise Funds | | |
|---|---|------------------|------------------|
| | Nonmajor Funds | | |
| | Senior Housing Fund | Water Fund | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from Customers and Users | \$ 252,325 | \$ 4,762 | \$ 257,087 |
| Payments to Suppliers | (182,624) | (5,094) | (187,718) |
| Payments to Employees | (36,686) | - | (36,686) |
| Payments for Interfund Services Used | (81) | - | (81) |
| Net Cash Provided (Used) by Operating Activities | 32,934 | (332) | 32,602 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Transfers Out to Other Funds | (65,000) | - | (65,000) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| (Purchase) Sale of Investments | (9,027) | - | (9,027) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest on Investments | 706 | - | 706 |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (40,387) | (332) | (40,719) |
| Cash and Cash Equivalents - Beginning of Year | 96,572 | 14,753 | 111,325 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 56,185</u> | <u>\$ 14,421</u> | <u>\$ 70,606</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | |
| Operating Income (Loss) | \$ 25,228 | \$ (286) | \$ 24,942 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | |
| Depreciation | 4,031 | - | 4,031 |
| Change In Assets and Liabilities: | | | |
| (Increase) Decrease in Accounts Receivable | (158) | (46) | (204) |
| Increase (Decrease) in Due to Other Funds | (81) | - | (81) |
| Increase (Decrease) in Accounts Payable And Accrued Items | 3,914 | - | 3,914 |
| Total Adjustments | 7,706 | (46) | 7,660 |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 32,934</u> | <u>\$ (332)</u> | <u>\$ 32,602</u> |

TOWN OF BURLINGTON, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED, AND OUTSTANDING
YEAR ENDED JUNE 30, 2022

| Grand List of October 1, | Uncollected Taxes | | | | | | | | | | Uncollected |
|--------------------------------|-----------------------------|--------------------|------------|-----------------|---------------|---------------|------------|----------|---------------|------------------|-------------|
| | July 1, 2021 and Current | Lawful Corrections | | Transfers to | Adjusted | Collections | | | | Taxes | |
| | Levy | Additions | Deductions | Suspense | Tax Levy | Taxes | Interest | Liens | Total | June 30, 2022 | |
| 2020 | \$ 33,051,555 | \$ 73,774 | \$ 79,852 | \$ 30,410 | \$ 33,015,067 | \$ 32,834,847 | \$ 72,006 | \$ 2,204 | \$ 32,909,057 | \$ 180,220 | |
| 2019 | 153,831 | 12,125 | 7,128 | (10,668) | 169,496 | 138,184 | 33,027 | 725 | 171,936 | 31,312 | |
| 2018 | 53,015 | 382 | 437 | 2,687 | 50,273 | 32,791 | 10,121 | 270 | 43,182 | 17,482 | |
| 2017 | 28,257 | - | - | 6,179 | 22,078 | 10,855 | 4,646 | 67 | 15,568 | 11,223 | |
| 2016 | 13,637 | - | - | 4,381 | 9,256 | 4,544 | 3,858 | - | 8,402 | 4,712 | |
| 2015 | 6,603 | - | - | 3,577 | 3,026 | 76 | 18 | - | 94 | 2,950 | |
| 2014 | 5,970 | - | - | 1,201 | 4,769 | - | - | - | - | 4,769 | |
| 2013 | 4,750 | - | - | 607 | 4,143 | 68 | 94 | - | 162 | 4,075 | |
| 2012 | 5,813 | - | - | 2,385 | 3,428 | 63 | 102 | - | 165 | 3,365 | |
| 2011 | 6,535 | - | - | 894 | 5,641 | 67 | 120 | - | 187 | 5,574 | |
| 2010 | 3,620 | - | - | 210 | 3,410 | 36 | 67 | - | 103 | 3,374 | |
| 2009 | 569 | 1,455 | - | 881 | 1,143 | - | - | - | - | 1,143 | |
| 2008 | 1,938 | - | - | 389 | 1,549 | - | - | - | - | 1,549 | |
| 2007 | 6,752 | - | - | 177 | 6,575 | - | - | - | - | 6,575 | |
| 2006 | 1,290 | - | - | 1,093 | 197 | - | - | - | - | 197 | |
| 2005 | 485 | - | - | 485 | - | - | - | - | - | - | |
| Total | \$ 33,344,620 | \$ 87,736 | \$ 87,417 | \$ 44,888 | \$ 33,300,051 | \$ 33,021,531 | \$ 124,059 | \$ 3,266 | \$ 33,148,856 | \$ 278,520 | |

TOWN OF BURLINGTON, CONNECTICUT
SCHEDULES OF SEWER USE AND SEWER ASSESSMENTS
YEAR ENDED JUNE 30, 2022

SCHEDULE OF SEWER USE CHARGES LEVIED, COLLECTED, AND OUTSTANDING

| Grand List of October 1, | Sewer Use Charges July 1, 2021 and Current Year | Lawful Corrections | | Adjusted Sewer Use Charges | Collections | | | Uncollected Amount June 30, 2022 |
|--------------------------------|--|--------------------|------------|----------------------------------|-------------|--------------------------|------------|---|
| | | Additions | Deductions | | Use Charges | Interest and Liens | Total | |
| | | | | | | | | |
| 2021 | \$ 187,716 | \$ - | \$ - | \$ 187,716 | \$ 127,420 | \$ - | \$ 127,420 | \$ 60,296 |
| 2020 | 86,226 | - | - | 86,226 | 81,992 | 2,982 | 84,974 | 4,234 |
| 2019 | 11,155 | - | - | 11,155 | 7,181 | 2,522 | 9,703 | 3,974 |
| 2018 | 3,715 | - | - | 3,715 | 2,634 | 1,274 | 3,908 | 1,081 |
| 2017 | 1,080 | - | - | 1,080 | 1,080 | 553 | 1,633 | - |
| Total | \$ 289,892 | \$ - | \$ - | \$ 289,892 | \$ 220,307 | \$ 7,331 | \$ 227,638 | \$ 69,585 |

SCHEDULE OF SEWER ASSESSMENTS LEVIED, COLLECTED, AND OUTSTANDING

| | Sewer Assessments Receivable July 1, 2021 | Lawful Corrections | | Adjusted Assessments Collectible | Collections | | | Uncollected Amount June 30, 2022 |
|-------|--|--------------------|------------|--|-------------|--------------------------|-----------|---|
| | | Additions | Deductions | | Assessments | Interest and Liens | Total | |
| | | | | | | | | |
| Total | \$ 158,855 | \$ - | \$ - | \$ 158,855 | \$ 77,406 | \$ 16,148 | \$ 93,554 | \$ 81,449 |

**TOWN OF BURLINGTON, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
YEAR ENDED JUNE 30, 2022**

| | |
|---|---------------|
| Total Tax Collections, (Including Interest and Lien Fees) Received by Treasurer, Prior Fiscal Year | \$ 32,390,802 |
|---|---------------|

| | |
|---|----------------------|
| Reimbursement for Revenue Loss on: Tax Relief for Elderly, Prior Fiscal Year | - |
| Base | <u>\$ 32,390,802</u> |

| | General Purposes | Schools | Sewers | Urban Renewal | Pension Deficit |
|--|----------------------|-----------------------|-----------------------|-----------------------|----------------------|
| Debt Limitation: | | | | | |
| 2.25 Times Base | \$ 72,879,305 | \$ - | \$ - | \$ - | \$ - |
| 4.50 Times Base | - | 145,758,609 | - | - | - |
| 3.75 Times Base | - | - | 121,465,508 | - | - |
| 3.25 Times Base | - | - | - | 105,270,107 | - |
| 3 Times Base | - | - | - | - | 97,172,406 |
| Total Debt Limitation | <u>72,879,305</u> | <u>145,758,609</u> | <u>121,465,508</u> | <u>105,270,107</u> | <u>97,172,406</u> |
| Indebtedness: | | | | | |
| General Obligation Bonds | 4,845,000 | - | - | - | - |
| State of Connecticut Sewer Notes | - | - | 620,181 | - | - |
| Long Term Payable on Sewer Upgrade | - | - | 662,353 | - | - |
| Overlapping Debt - 66.87% | | | | | |
| Regional School District No. 10 | - | 5,807,488 | - | - | - |
| Authorized but Unissued Debt | <u>1,840,016</u> | <u>-</u> | <u>797,560</u> | <u>-</u> | <u>-</u> |
| Total Indebtedness | <u>6,685,016</u> | <u>5,807,488</u> | <u>2,080,094</u> | <u>-</u> | <u>-</u> |
| Debt Limitation in Excess of Outstanding and Authorized Debt | <u>\$ 66,194,289</u> | <u>\$ 145,758,609</u> | <u>\$ 120,047,767</u> | <u>\$ 105,270,107</u> | <u>\$ 97,172,406</u> |

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation, or \$226,735,614.

STATISTICAL SECTION

TABLE 1

**TOWN OF BURLINGTON, CONNECTICUT
COMPARATIVE ASSESSED VALUATIONS
LAST TEN YEARS
(UNAUDITED)**

| <u>Year Ended June 30</u> | <u>Grand List</u> | <u>Gross Taxable Grand List</u> | <u>Less: Exemptions</u> | <u>Net Taxable Grand List</u> |
|-----------------------------------|-----------------------|---|-----------------------------|---|
| 2022 | 2020 | \$ 979,937,287 | \$ 2,985,470 | \$ 976,951,817 |
| 2021 | 2019 | 965,908,202 | 3,059,929 | 962,848,273 |
| 2020 | 2018 | 965,568,221 | 1,830,269 | 963,737,952 |
| 2019 | 2017 | 946,842,535 | 1,898,574 | 944,943,961 |
| 2018 | 2016 | 930,687,550 | 2,372,415 | 928,315,135 |
| 2017 * | 2015 | 920,887,958 | 2,276,521 | 918,611,437 |
| 2016 | 2014 | 911,512,927 | 2,355,517 | 909,157,410 |
| 2015 | 2013 | 897,383,120 | 2,196,688 | 895,186,432 |
| 2014 | 2012 | 953,084,121 | 2,355,501 | 950,728,620 |
| 2013 | 2011 | 944,951,909 | 2,600,480 | 942,351,429 |

* Revaluation performed for Grand List year

TABLE 2

**TOWN OF BURLINGTON, CONNECTICUT
PRINCIPAL TAXPAYERS
2020 GRAND LIST
(UNAUDITED)**

| <u>Taxpayer</u> | <u>(1) Assessment</u> | <u>Rank</u> | <u>Percent of Net Taxable Grand List</u> |
|--------------------------------------|---------------------------|-------------|--|
| New Britain City of | \$ 13,099,940 | 1 | 1.34% |
| Metropolitan District Commission The | 10,962,330 | 2 | 1.12% |
| Conn Light & Power | 9,637,640 | 3 | 0.99% |
| Carrier Home Builders Inc | 3,495,409 | 4 | 0.36% |
| Bristol City of | 3,013,850 | 5 | 0.31% |
| NJA & Associates LLC | 2,102,380 | 6 | 0.22% |
| Hearthstone Living LLC | 2,048,480 | 7 | 0.21% |
| ACAR Leasing LTD | 1,652,560 | 8 | 0.17% |
| Toyota Lease Trust | 1,557,509 | 9 | 0.16% |
| Honda Lease Trust | <u>1,496,945</u> | 10 | <u>0.15%</u> |
| Total | <u>\$ 49,067,043</u> | | <u>5.03%</u> |

Based on October 1, 2020 Net Taxable Grant List of \$976,951,817.
Source: Tax Assessor, Town of Burlington

TABLE 3

**TOWN OF BURLINGTON, CONNECTICUT
PROPERTY TAX RATES, LEVIES, AND COLLECTIONS
LAST TEN YEARS
(UNAUDITED)**

| Year Ended June 30 | (1) (2) Tax Rate In Mills | Grand List Of October 1, | Total Adjusted Tax Levy | Percent Collected Within the Fiscal Year of Levy | Percent Uncollected at End of Fiscal Year of Levy | Percentage Uncollected at June 30, 2022 |
|--------------------------|---------------------------------|--------------------------------|-------------------------------|--|---|---|
| 2022 | 33.40 | 2020 | \$ 33,045,478 | 99.30% | 0.70% | 0.70% |
| 2021 | 33.30 | 2019 | 32,244,438 | 99.30% | 0.70% | 0.70% |
| 2020 | 33.00 | 2018 | 31,640,620 | 99.29% | 0.71% | 0.33% |
| 2019 | 32.50 | 2017 | 30,599,531 | 99.22% | 0.78% | 0.44% |
| 2018 | 32.00 | 2016 | 29,651,900 | 99.34% | 0.66% | 0.08% |
| 2017 | 31.60 | 2015 | 28,941,450 | 99.39% | 0.61% | 0.06% |
| 2016 | 31.10 | 2014 | 28,063,768 | 99.28% | 0.72% | 0.05% |
| 2015 | 29.85 | 2013 | 26,634,853 | 98.96% | 1.04% | 0.05% |
| 2014 | 27.50 | 2012 | 26,079,669 | 99.06% | 0.94% | 0.09% |
| 2013 | 26.80 | 2011 | 25,138,649 | 99.02% | 0.98% | 0.08% |

TABLE 4

TOWN OF BURLINGTON, CONNECTICUT
DEBT STATEMENT
JUNE 30, 2022
(UNAUDITED)

| | |
|----------------------------|---------------------------------|
| Direct Debt | |
| Long-Term Debt | |
| Bonds: | |
| General Purpose | \$ 4,845,000 |
| Sewer | <u>1,282,534</u> |
| Total Long-Term Debt | 6,127,534 |
| Total Direct Debt | 6,127,534 |
| Less: | |
| Self Supporting Debt | <u>-</u> |
| Total Net Direct Debt | 6,127,534 |
| Overlapping Debt | <u>5,807,488</u> |
| Total Overall Net Debt | <u><u>\$ 11,935,022</u></u> |

TOWN OF BURLINGTON, CONNECTICUT
CURRENT DEBT RATIOS
JUNE 30, 2022
(UNAUDITED)

| | |
|------------------------------------|----------------|
| 1 Population | 9,591 |
| 2 Net Taxable Grand List 10/1/2020 | \$ 976,951,817 |
| Estimated Full Value | \$ 979,937,287 |

| | Total Direct Debt | Total Net Direct Debt | Total Overall Net Debt |
|---------------------------------|-------------------------|-----------------------------|------------------------------|
| | <hr/> | <hr/> | <hr/> |
| | 6,127,534 | 6,127,534 | 11,935,022 |
| Per Capita | 638.88 | 638.88 | 1,244.40 |
| Ratio to Net Taxable Grand List | 0.63% | 0.63% | 1.22% |
| Ratio to Estimated Full Value | 0.63% | 0.63% | 1.22% |

- 1 OPM Municipal Fiscal Indicators
2 Revalued 10/1/19