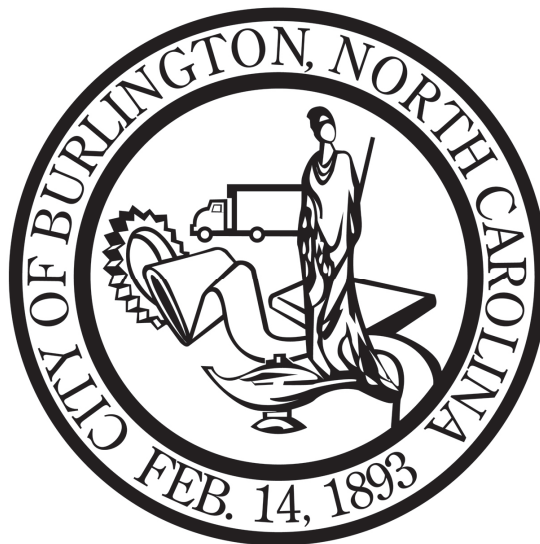


REVIEWED

By SLGFD at 10:26 am, Dec 03, 2021

CITY OF BURLINGTON NORTH CAROLINA

Connecting the Triad & Triangle



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2021

ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF BURLINGTON

FISCAL YEAR ENDED JUNE 30, 2021



CITY COUNCIL

IAN T. BALTUTIS, MAYOR
KATHRYN O. HYKES, MAYOR PRO TEM
ROBERT M. WARD, COUNCILMEMBER
JAMES B. BUTLER, COUNCILMEMBER
HAROLD T. OWEN, COUNCILMEMBER

CITY MANAGER
F. HARDIN WATKINS, JR.

DIRECTOR OF FINANCE AND RISK MANAGEMENT
PEGGY B. REECE, CPA

Prepared by the City of Burlington Finance Department

CITY OF BURLINGTON, NORTH CAROLINA
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CITY OF BURLINGTON

P.O. Box 1358~ Burlington~ North Carolina 27216~1358

FINANCE DEPARTMENT

Phone (336) 222-5060

November 18, 2021

The Honorable Mayor, Members of the City Council, and Citizens of the City of Burlington, North Carolina:

The Annual Comprehensive Financial Report of the City of Burlington, North Carolina, for the year ended June 30, 2021, is submitted for your review. This report was prepared by the City's Finance Department, and it is the comprehensive publication of the City's financial position and results of operations for the fiscal year ended June 30, 2021, for all funds and the component unit of the City. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with city management. To provide a reasonable basis for making these representations, we have established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Burlington's financial statements in conformity with generally accepted accounting principles (GAAP). Because the costs of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we believe the data, as presented, are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and component unit of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City is required by North Carolina General Statutes Section 159-34 to have an annual independent audit. A compliance audit on federal and state financial assistance programs is also required under the Federal Single Audit Act of 1984 and Title 2 U. S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and the State Single Audit Implementation Act. The City of Burlington's financial statements have been audited by Stout, Stuart, McGowen & King, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Burlington for the fiscal year ended June 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Burlington's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is included in the financial section of this report. In addition, the auditor's report, required as part of a single audit, is found in the Single Audit Section of this report. This report focuses not only on the fair presentation of the financial statements, but also on the City's internal controls and compliance

with legal requirements involving the administration of state and federal awards.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Burlington's MD&A can be found immediately following the report of the independent auditor.

CITY PROFILE

The City of Burlington, incorporated on February 14, 1893, is located in the Piedmont Region of Central North Carolina along Interstate Highways 85/40. The City is the largest municipality in Alamance County, with a land area of 35.77 square miles and a population of 57,303. The City is empowered by statute to levy an annual ad valorem property tax on the appraised value of all real and tangible property except manufacturers', retailers', and wholesalers' inventories located therein. The City is also empowered by statute to extend its corporate limits by annexation. Since January 1980, the City has annexed 19.0753 square miles. These annexations represent industrial, institutional and residential properties. The City generally annexes on a voluntary basis.

The City of Burlington operates under the council-manager form of government. Policy-making and legislative authority is vested in the City Council, which consists of a mayor and four council members. The City Council members are responsible for the government and general management of the City; approval and amendment of all general and technical ordinances, including budgetary appropriations and construction and zoning ordinances; approval of all contracts; and the appointments of the City Manager and City Attorney. Council Members are elected at large to four-year staggered terms, and the Mayor is elected to a two-year term. The Mayor presides at all meetings of the City Council, and has the right to vote upon all issues, but has no additional vote in case of a tie and no veto power.

The City Manager is responsible for carrying out the policies and ordinances of the Council and administering the daily operations and programs of the City through appointed department heads and their staff members.

The City of Burlington provides a full range of services to its citizens, including police and fire protection, construction and maintenance of streets and other infrastructure, traffic control, recreational activities, cultural events, and sanitation in the form of solid waste collection. The City also owns and operates a cemetery and a golf course. In addition, the City operates a water treatment and distribution system, a sewer treatment and collection system, and a storm water fund.

The annual budget serves as the foundation for the City of Burlington's financial planning and control. The North Carolina General Statutes require all governmental units to adopt a balanced budget by July 1 of each year for all funds for which an annual budget is required. Activities of the General Fund, Special Revenue Funds (except for Grant Project Funds), and Proprietary Funds are included in the annual appropriated budget. Project-length financial plans are adopted for Grant and Capital Project Funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by the department level within the funds. Any increase or decrease in the original budget as adopted must be approved by City Council. The City also maintains an encumbrance accounting system as one technique to accomplish budgetary control. Encumbered amounts

lapse at year end; however, outstanding encumbrances are generally re-appropriated as part of the following year's budget. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund the budgetary comparison is presented in Exhibit 5, page 6, as part of the Basic Financial Statements pertaining to the governmental funds. For other governmental funds with annual and project-length budgets, detailed budget-to-actual comparisons are presented in the supplementary information subsection of this report, which starts on page 74.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Burlington, North Carolina operates.

Local Economy

For the prior fiscal year, the City of Burlington's economy showed great resilience in response to the COVID-19 pandemic. Even though many businesses were shut down due to the pandemic, unemployment has fallen from a high of 12.7 % to 5.0% as of June 30, 2021. There continues to be opening and closing of some small retail stores and businesses throughout the area. Of interest to note, according to projections released by the American City Business Journals, Alamance County is expected to see the greatest growth of any area of the Triad, with the population of Burlington and surrounding communities expected to grow by 15.4 percent by the year 2040. Below you will find noted some of the more significant economic activity occurring in the area.

Burlington's retail development continues to grow. Publix will anchor a 60,000+ ft² shopping center, due to be completed in late 2021. The Publix grocery store is expected to bring 130 jobs to the city. Huffman Mill Commons, a \$5.7 million retail center project completed in 2019, welcomed Party City to its lineup. Lidl supermarket has opened in Edgewood Shopping Center. Other national businesses which opened franchises this year include Tru by Hilton Hotels, Andy's Frozen Custard and Biggby Coffee. The City also has a number of locally owned retail business successes located in the downtown corridor and other commercial corridors.

The Burlington-Alamance Regional Airport is an integral economic development provider to the region. Including the aircraft jet engine manufacturer Honda Aero, more than 275 people are employed within the numerous aviation businesses. A study completed in 2021 by NC State's Institute for Transportation Research and Education indicates that the Burlington Alamance Regional Airport is responsible for an annual economic output to our community and region of over \$172,000,000. The Airport continues to grow and expand through the development of new hangars and aerospace facilities.

There are several other companies who have made commitments to build distribution and manufacturing centers, all within a 10-mile radius of the city limits of Burlington. Supermarket giant Publix continues its new distribution facility project in nearby McLeansville, bringing over 1000 jobs to the area. The \$400 million project includes a 1.8 million ft² facility and will span 350 acres. Chick-fil-A will build a distribution center in Mebane, adding 160 new jobs in their \$52 million facility. UPS will add a \$262 million sorting facility, also in Mebane, which will bring 450 jobs to the area. Again, while these centers are not within the city limits of

Burlington, they will have an impact on the economy and job outlook for the City.

Shown below are the ten largest employers within the City of Burlington:

**City of Burlington, North Carolina
Principal Employers
June 30, 2021**

<u>Name of Employer</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>
Alamance-Burlington School Sys	Public Education	3,500
LabCorp, Inc.	Medical Supplies/Svcs/Facilities	3,000
Cone Health Alamance Regional	Health Care	2,000
City of Burlington	Local Government	1,100
Honda Aero	Small/Jet Engine Manufacturing	850
Wal-Mart Stores, Inc.	Retail Sales	600
Glen Raven, Inc.	Engineered Textiles	500
Kayser-Roth Corp.	Hosiery	460
Copeland Fabrics	Filament Based Goods	300
Sheetz	Bakery/Distribution Center	250

Alamance County's unemployment rate rose in April 2020 due to the COVID-19 pandemic and topped out at 13.6 in May of 2020, as evidenced in the following table.

	% Unemployment (Alamance County)											
	<u>10</u>	<u>11</u>	<u>12</u>	<u>13</u>	<u>14</u>	<u>15</u>	<u>16</u>	<u>17</u>	<u>18</u>	<u>19</u>	<u>20</u>	<u>21</u>
Jan	12.3	10.7	9.3	9.0	5.8	5.6	5.0	4.7	4.1	4.2	3.5	5.9
Feb	12.3	10.1	9.1	8.4	5.8	5.2	4.8	4.4	4.1	3.9	3.3	5.6
Mar	11.7	9.7	8.6	7.7	5.7	5.1	4.7	4.3	3.8	3.8	3.9	4.5
Apr	11.0	9.2	8.3	7.3	4.9	4.9	4.5	3.9	3.5	3.4	13.0	4.3
May	10.9	9.5	8.6	7.4	5.5	5.5	4.6	4.2	3.8	3.8	13.6	4.5
Jun	10.9	10.1	9.2	7.7	5.7	5.8	5.2	4.6	4.4	4.1	9.0	5.0
Jul	10.7	10.1	9.4	7.4	6.1	5.9	5.1	4.7	4.2	4.2	9.2	
Aug	10.4	10.0	9.1	6.9	6.0	5.6	5.1	4.7	4.1	4.1	6.8	
Sept	9.6	9.1	8.2	5.8	5.2	5.0	4.5	4.0	3.4	3.3	7.0	
Oct	9.6	9.2	8.4	5.8	5.3	5.0	4.6	3.9	3.6	3.4	6.4	
Nov	10.0	9.0	8.3	5.7	5.2	5.0	4.4	4.0	3.6	3.3	6.2	
Dec	9.8	8.8	8.4	5.4	4.9	4.8	4.3	3.8	3.7	3.1	6.1	

Source: Bureau of Labor Statistics

The following is a comparison of average annual unemployment rates (%) for the County, State and United States.

Comparison of average annual unemployment rates (%) for the County, State & US

Year	County	State	US	Year	County	State	US
2002	7.2	6.9	5.8	2012	8.7	9.5	8.1
2003	7.1	6.7	6.0	2013	7.1	7.8	7.4
2004	6.2	5.9	5.5	2014	5.5	6.1	6.2
2005	6.0	5.6	5.1	2015	5.3	5.7	5.3
2006	5.5	5.1	4.6	2016	4.7	5.1	4.9
2007	5.1	5.1	4.6	2017	4.3	4.5	4.7
2008	6.4	6.2	5.8	2018	3.8	4.0	3.9
2009	11.7	11.0	9.3	2019	3.7	3.8	3.7
2010	10.8	10.7	9.6	2020	7.2	7.3	8.0
2011	9.6	10.3	8.9	2021	5.0*	5.0*	6.0*

*Through June 2021

The City has maintained a stable financial condition for another year. Unemployment decreased over the previous year. The year ended June 30, 2021, has seen an increase of 3.98% in the water and sewer revenues, making up for the 2019-2020 Covid-19 losses (-2.54%). The numbers of non-residential and residential building permits issued have increased over the numbers issued in the previous year. All of these are indications of the economy's continuing stability for the City of Burlington.

Located on the Interstate Highways 85/40, between the larger cities of Greensboro (to the west) and Raleigh (to the east), the City of Burlington remains in an ideal position for growth. Some have predicted that the Burlington area will experience some of the highest growth in the state in the next 25 years. The Milken Institute Best-Performing Small Cities saw Burlington climb from 46 to 44 in its ranking of economic vitality. In addition, the Burlington Downtown Corporation, a component unit, has completed a master plan for redevelopment of the downtown area. A study by Insurify ranked Burlington the second-highest homebuyer market in the country for demand.

Long-term Financial Planning

(1) Water and Sewer Resources Issues/Stormwater Issues

The City has a maintenance plan to continue to administer construction contracts for the replacement of deteriorating two-inch water lines. This is an ongoing process for the water and sewer distribution systems.

The last water system master plan was conducted in the early 2000s and portions have been updated periodically as needed. Wastewater planning has been conducted for various drainage basins, and each wastewater plant, but a comprehensive, system-wide water and wastewater plan has not been conducted. The City currently has a contract issued with an engineering company to prepare a comprehensive water and sewer master plan. The first phase of the study is currently in process utilizing Hazen and Sawyer. This will assist the City in preparing plans for improvements to strengthen and improve the overall system.

(2) Development Services Development Services

The City has implemented software called Smartgov for the development services group. This software technology has several modules including but not limited to: building inspections,

engineering, planning, and code enforcement. This software connects all applications with the GIS address of the property such that when an address is pulled up, it will automatically bring up everything that has occurred with this property as far as the City is concerned. This has helped the City be more efficient working across City departments. Smartgov has been instrumental in moving processes online in response to the COVID-19 pandemic.

(3) Transportation

The Link Transit transportation system launched on June 1, 2016. There are federal monies available to help with the capital purchases (80% match from federal grants) and the operations (50% match from federal grants) of a transportation system. June 2021 marked the fifth anniversary of the Link Transit System, becoming fare free for riders. Routes take riders to shopping centers, neighborhoods, Alamance Community College and into Gibsonville. The system has been an amazing success and has opened new worlds and opportunities for many citizens.

(4) Capital Improvements

Outside of Community Development Block Grant (CDBG) funds, the City Council approved a capital project for the restoration of the City's historic Dentzel Carousel located at City Park. It has been 40 years since the last restoration, and there are some parts being replaced now that have never been replaced. The project is well underway, including a new carousel house. The annual Carousel Festival will move to the spring, where it will welcome the newly improved carousel. The North Park pool, a \$3 million dollar project, has been completed and has been well received by the community. The City Council's approved plan for Willowbrook Park is being enjoyed. Improvements included stream restoration, the children's playground, new educational walkways, and an arboretum. Finally, the former Burlington Athletic Stadium underwent a revitalization and welcomed back the Burlington baseball franchise, rebranded as The Sock Puppets, part of the Appalachian League.

(5) Plans for Debt Issuance

In fiscal year 2020-2021, the City sought long term financing to finance the refurbishing of the Carousel itself and to construct a new building to house the Carousel. There are plans to continue the annual installment purchase agreement that provides funding for approximately \$2 million in capital equipment in the General Fund that the City purchases each fiscal year. This policy allows for ongoing purchases of equipment without causing major fluctuations in each annual budget.

Community Development Block Grant (CDBG) and HOME funds were used during the year for several projects meeting the requirements for use of those funds.

The City spent and/or allocated the following in 2020/21:

- Housing Rehabilitation - \$23,582.00
- Public Facilities - \$288,215.00
- Public Infrastructure - \$71,433.00
- Public Service - \$70,747.00

- Planning & Administration - \$70,747.00

Housing Rehabilitation: The City has implemented forgivable loans for its rehabilitation program and believes this will increase the applicant pool for work and should increase the spending in this area. Forty thousand of HOME was allocated and committed to one rehabilitation job that was completed in October 2021. The total CDBG expenditures for housing projects include the costs for relocation for rehabilitation jobs to take place in FY 21-22, of the total expenditures for housing, the City spent \$6,923.02 of its CDBG loan fund proceeds for the aforementioned HOME housing rehabilitation.

Public Facilities/Infrastructure: To date, the City has expended over \$29,147 to renovate Ralph Scott Lifeservices locations. The City also funded upgrades to the CityGate Dream Center, using \$41,000 of funds between the two locations for upgrades. The City completed the City Park restrooms, the Sharpe Road pedestrian crossing and the Haw River project expending \$292,445.45. The City completed Phase 1C in September 2021 and plans to complete Phase 2 of North Park Renovations.

Public Infrastructure: The City completed the first phase of the Burlington Greenway & Bikeway, which will eventually connect Elon and Haw River. North Park Renovations continue with Phase 2 improvements.

Public Services: The City expended \$216,040.48 on public services activities including rental and utility assistance for Burlington residents impacted by COVID. The City expended \$5,707.18 on Burlington Development Corporation's HOPE and STEPS programs providing Rapid Re-Housing.

Administration: The City expended \$76,949.42 on CDBG Administration. The City used the money to fund the Community Development Technician position, as well as programmatic/planning needs.

Economic Development: The City used \$77,000 in CDBG-CV Covid Funds for the Micro-Enterprise Loan Program.

The Community Development Division will also establish multiple projects for the upcoming fiscal year 2021-22.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Burlington for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the twenty-second consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this annual comprehensive financial report would not have been possible without the dedication and collective efforts of the entire staff of the Finance and Risk Management Department. We would like to take this opportunity to express gratitude to all members of the department for their efforts. In addition, it is also important to express appreciation to the City's Department Heads who supply information regarding the numerous projects with which they are involved.

Finally, credit must be given to the Mayor and City Council members for their unfailing support and for maintaining the highest standards of professionalism and fiduciary responsibility in the management of the City of Burlington's finances.

Respectfully submitted,



Hardin Watkins
City Manager



Peggy B. Reece, CPA
Director of Finance & Risk Management



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Burlington
North Carolina**

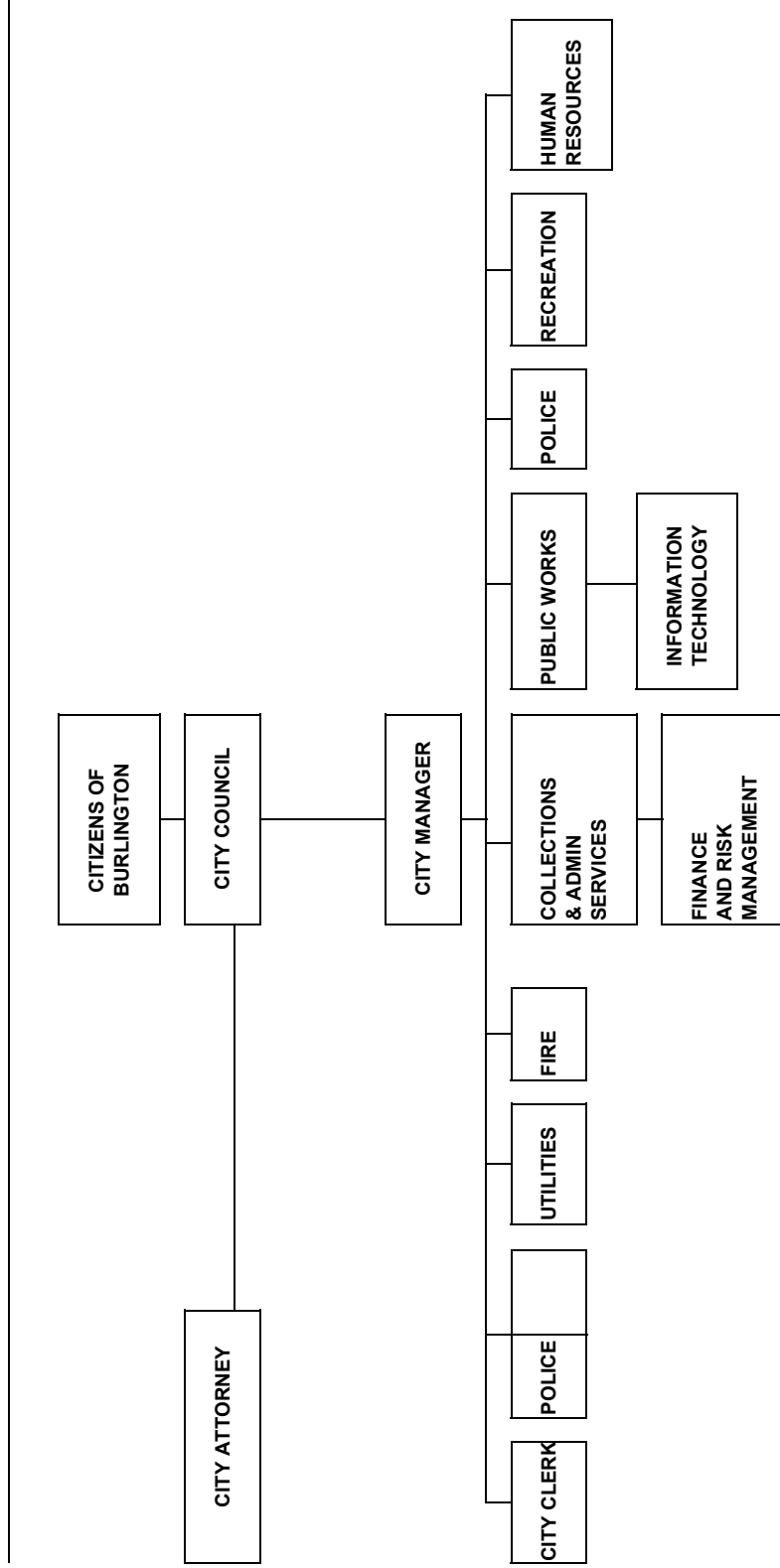
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

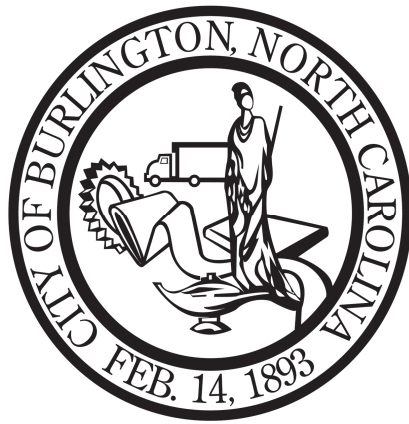
CITY OF BURLINGTON, NORTH CAROLINA
ORGANIZATIONAL CHART



CITY OF BURLINGTON

List of Principal Officials For the Fiscal Year Ended June 30, 2021

City Manager	F. Hardin Watkins Jr.
City Attorney	David R. Huffman
Assistant City Manager Development Services	Nolan P. Kirkman
Assistant City Manager Administrative Services- Interim	Cheryl Brown
Water Resources Director	Robert Patterson, Jr.
Animal Services Director	Jess Arias
Deputy City Clerk	Beverly Smith
City Engineer	William T. Lambert
Director of Economic Development	Peter F. Bishop
Director of Finance and Risk Management	Peggy B. Reece, CPA
Fire Chief	Jay L. Mebane
Human Resources Director	Jaime H. Joyner
Information Technology Director	Scott D. Bibler
Inspections	Russell Williams
Planning & Community Development Director and Transportation Director	Mike Nunn
Police Chief- Interim	Eric Kerns
Recreation & Parks Director	Anthony G. Laws





**STOUT
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& KING LLP**

*Certified
Public
Accountants*

*Advisors to
Management*

*Member of PCPS,
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INDEPENDENT AUDITOR'S REPORT

To The Honorable Mayor and
Members of the City Council
City of Burlington
Burlington, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Burlington (the "City"), North Carolina as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Burlington Downtown Corporation were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based upon our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Burlington, North Carolina as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages xv through xxxi, the Other Postemployment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios, on page 53, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions, on pages 48 and 49, respectively, the Firefighter's and Rescue Squad Workers' Pension Fund's Schedule of the Proportionate Share of Net Pension Liability on page 50 and the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll on pages 51 and 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards general accepted in the United State of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the City of Burlington, North Carolina. The introductory information, combining and individual fund financial statements, budgetary schedules, other schedules, statistical section, and the Schedule of Expenditures of Federal and State Awards as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures; including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, and the

combining and individual fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

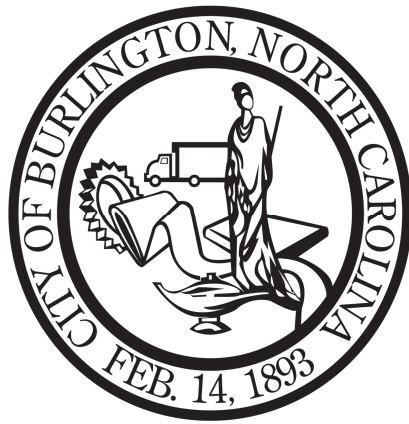
The introductory information and the statistical sections have not been subjected to the auditing procedures applied in the audit of basic financial statements, and accordingly, we do not express an opinion or provide assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2021 on our consideration of the City of Burlington's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 City of Burlington's internal control over financial reporting and compliance.

STOUT STUART MCGOWEN & KINGS LLP

Burlington, North Carolina
November 18, 2021



City of Burlington, North Carolina

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Burlington, we offer readers of our financial statements this narrative overview and analysis of the financial activities of the City of Burlington for the fiscal year ended June 30, 2021. The Management's Discussion and Analysis (MD&A) section is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial condition, identify material deviations from the financial budget, and identify individual fund issues or concerns.

We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the transmittal letter, which can be found on pages i-viii of this report, and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Burlington exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$292,519,317 (net position). Of this amount, \$58,089,223 may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$9,006,559 (3.2%) compared to fiscal year 2020. The governmental net position increased by \$3,242,864 (3.5%) and the business-type net position increased by \$5,763,695 (3.0%).
- During the year, the City's governmental expenses were \$62,956,841, a decrease of \$637,945, while expenses in the business-type activities were \$30,378,331 a decrease of \$202,796.
- At the end of the current fiscal year, the City of Burlington's governmental funds reported combined ending fund balances of \$56,682,857, an increase of \$8,615,226 in comparison with the prior year. Approximately \$7,717,876 (or 13.6%) is available for spending, with \$41,959,283 designated for specific purposes.
- As of year-end, the unassigned fund balance for the General Fund was \$7,978,140, or 13.5% of total General Fund expenditures of \$59,244,418.
- The General Fund budget for fiscal year ending 6/30/21 was adopted with a \$.5973 per \$100 assessed valuation tax rate.
- The City of Burlington's total long-term debt increased \$16,961,501. There was an increase of \$16,590,065 in the governmental activities and an increase of \$371,436 in the business-type activities.

The City has maintained its GO bond rating with both Standard & Poor's Corporation at AA and Moody's at Aa2. Moody's most recent review of the City's GO Bonds occurred in July 2021 and the rating was confirmed at Aa2. The City has also maintained the same ratings on its 2011 and 2010 Revenue

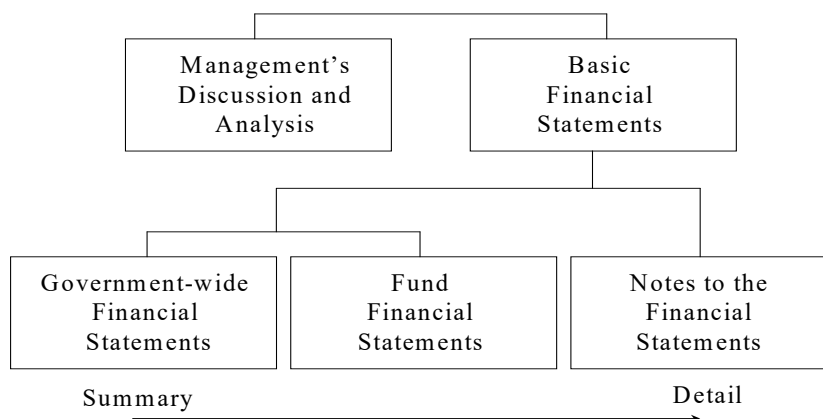
Bonds. The 2010 and 2011 Revenue Bonds were rated AA by Standard & Poor's Corporation in October 2014.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Burlington's basic financial statements. The City's basic financial statements consist of three components: (1) Government-Wide Financial Statements, (2) Fund Financial Statements, and (3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Burlington.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the City's financial status.

The next statements (Exhibits 3 through 8) are the **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: (1) the governmental funds statements; (2) the budgetary comparison statements; and (3) the proprietary fund statements.

The next section of the basic financial statements is the **notes**. The Notes to the Financial Statements explains in detail some of the data contained in those statements. After the notes, **supplemental information** is

provided to show details about the City's individual funds. Budgetary information required by the NC General Statutes also can be found in this part of the statements.

A. Government-wide financial statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short- and long-term information about the City's financial status as a whole.

The two government-wide statements report the City's net position and how it has changed. Net position is the difference between the City's total assets and deferred outflows of resources, and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the City's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the City's basic services such as public safety, public works, parks and recreation, and general administration. Property taxes, sales taxes, and State and federal grant funds finance most of these activities. The business-type activities are those that the City charges customers to help cover the cost of certain services it provides. The City's water and sewer activities are included in this category. The final category is the component unit. The City includes one discretely presented component unit entity in its report. Financial information for the Burlington Downtown Corporation is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements are Exhibits 1 and 2 of this report.

B. 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 City of Burlington, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance with finance-related legal requirements such as the General Statutes of North Carolina and the City's budget ordinance. The fund financial statements provide more detailed information about the City's major funds while focusing on the fiscal accountability and are used to account for specific sources of funding such as those required by state law, bond covenants, and spending for particular purposes. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at

year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City of Burlington adopts an annual appropriated budget for its General Fund, as required by the General Statutes of North Carolina. The budget is a legally-adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the City Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: (1) the original budget as adopted by the City Council; (2) the final budget as amended by the City Council; (3) the actual resources, charges to appropriations, and ending balances in the General Fund; and (4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

The basic governmental fund financial statements can be found on pages 3-6 of this report.

Proprietary funds of three different types are maintained by the City of Burlington. *Enterprise funds* are used to report the same functions presented as business-type activities in the government wide financial statements. City of Burlington uses the enterprise funds to account for its water and sewer activity, for the storm water operations, and for the bus transportation operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Burlington's various functions. The city uses internal service funds to account for its self-insured dental, health, and workers' compensation benefits. Because these internal service funds benefit both governmental and business-type activities, they have been allocated to both based on their respective percentage of personnel costs (including fringe benefits) to total personnel costs.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water Resources Fund and the Storm Water Fund, the only two enterprise fund operations of the City of Burlington.

The basic proprietary fund financial statements can be found on pages 7-10 of this report.

C. 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 11-47 of this report.

D. Other Information

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City of Burlington's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 48 of this report.

E. Interdependence with Other Entities

The City depends on financial resources flowing from, or associated with, both the federal government and the State of North Carolina. Because of this dependency, the City is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign governments and other holders of publicly held U.S. Treasury Securities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The assets and deferred outflows of the City of Burlington exceeded liabilities and deferred inflows by \$292,519,317 as of June 30, 2021. The City's net position increased by \$9,006,559 for the fiscal year ended June 30, 2021. There was a net increase in the governmental net position in the amount of \$3,242,864 and a net increase in the business-type net position in the amount of \$5,763,695. The majority of the increase is due to the several factors. One, the City had numerous vacant positions which accounted for approximately \$2.2 million. Another factor is during Covid there were many recreation programs that could not be offered due to the State restrictions. Lastly, the City had two major capital projects finished, which added to fixed assets, North Park Pool and the new Animal Shelter. Also, projects for the business enterprise fund were delayed due to Covid-19. Capital assets for governmental activities increased by \$5.2 million while capital assets for business type activities increased \$456 thousand, yielding a net increase in capital assets of \$5.6 million. The largest portion of the total net position (62.7%) reflects the City's net investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt still outstanding that was issued to acquire those items. The City of Burlington uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Burlington's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate those liabilities. An additional portion of the City of Burlington's net position (17.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$58,089,223 is labeled as unrestricted on Exhibit 1. However,

included in this unrestricted amount are funds that the City has assigned to future purposes/projects, leaving an unassigned balance of \$7,717,876 as found on Exhibit 3.

At the end of the current fiscal year, the City of Burlington is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior year.

Figure 2
City of Burlington's Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
ASSETS						
Current and other assets	\$ 73,088,058	\$ 65,857,068	\$ 95,758,298	\$ 90,036,451	\$168,846,356	\$ 155,893,519
Capital assets	80,213,851	75,024,125	140,149,024	139,692,405	220,362,875	214,716,530
Total assets	153,301,909	140,881,193	235,907,322	229,728,856	389,209,231	370,610,049
Deferred outflow s of resources	16,456,051	11,357,774	2,509,402	1,857,618	18,965,453	13,215,392
LIABILITIES						
Current and other liabilities	8,759,929	10,161,668	8,948,386	7,302,208	17,708,315	17,463,876
Noncurrent liabilities	64,136,111	48,106,195	32,323,484	32,919,593	96,459,595	81,025,788
Total liabilities	72,896,040	58,267,863	41,271,870	40,221,801	114,167,910	98,489,664
Deferred inflow s of resources	1,196,717	1,548,765	290,740	274,254	1,487,457	1,823,019
NET POSITION						
Net investment in capital assets	68,295,851	70,063,091	113,788,624	111,813,220	182,084,475	181,876,311
Restricted	18,201,746	18,634,319	34,143,873	34,941,073	52,345,619	53,575,392
Unrestricted	9,167,606	3,724,929	48,921,617	44,336,126	58,089,223	48,061,055
Total net position	\$ 95,665,203	\$ 92,422,339	\$196,854,114	\$191,090,419	\$292,519,317	\$ 283,512,758

Several particular aspects of the City's financial operations positively influenced the total unrestricted governmental net position:

- The property tax rate remained the same at \$0.5973 per \$100 assessed valuation. As in years past, there was minimal growth in the property tax base due to new apartment complexes, businesses, and voluntary annexations. More growth is anticipated for the next fiscal year as all of the increases in residential property from the housing frenzy seen in 2021 will be reflected in the January 2022 values, thus the fiscal year 2021-2022 should see higher growth.
- Continued diligence in the collection of property taxes results in the City maintaining a tax collection percentage of 98.35%, albeit a slight drop from the prior year, attributed to the effects of the pandemic. This is comparable to the statewide average of 98.96%.
- The City of Burlington saw no growth in the amount of vehicle taxes collected from 2019 to 2020 due to the pandemic. However, from 2020 to 2021 the City experienced a 13.44% growth due to the economy opening back up.

- Sales tax revenues were also relatively flat from 2019 to 2020, again reflective of the impact of the pandemic on the local economy. After the initial shock of the pandemic subsided, people started purchasing on line since they were limited to going in person to shop. This resulted in the City experiencing a 16.8% increase in sales tax revenue year over year.

The Capital Reserve Fund's Restricted Net Assets increased by \$1,237,926. Of that increase was \$1,211,100 in revenue that was transferred in from the Dentzel Carousel Restoration Project during fiscal year 2020-2021. There were no expenses in this fund.

Figure 3

City of Burlington's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for services	\$ 7,933,451	\$ 7,257,917	\$ 33,554,411	\$ 32,923,354	\$ 41,487,862	\$ 40,181,271
Operating grants & contributions	6,537,309	3,794,200	-	-	6,537,309	3,794,200
Capital grants & contributions	-	-	-	-	-	-
General Revenues:						
Property taxes, levied for general purpose	31,641,594	30,326,622	-	-	31,641,594	30,326,622
Other taxes	17,162,911	14,838,586	-	-	17,162,911	14,838,586
Grants and contributions not restricted to specific programs	4,700,459	4,539,502	-	-	4,700,459	4,539,502
Other	172,855	1,066,518	638,741	963,531	811,596	2,030,049
Total Revenues	68,148,579	61,823,345	34,193,152	33,886,885	102,341,731	95,710,230
Expenses:						
General government	9,855,069	9,613,503	-	-	9,855,069	9,613,503
Public safety	32,789,701	31,191,548	-	-	32,789,701	31,191,548
Public works	11,834,268	13,685,136	-	-	11,834,268	13,685,136
Economic and physical development	2,708,188	1,163,416	-	-	2,708,188	1,163,416
Cultural and recreation	5,410,416	7,855,028	-	-	5,410,416	7,855,028
Interest on long-term debt	359,199	86,155	-	-	359,199	86,155
Water and sewer			30,378,331	30,581,127	30,378,331	30,581,127
Total Expenses	62,956,841	63,594,786	30,378,331	30,581,127	93,335,172	94,175,913
Change in net position before transfers	5,191,738	(1,771,441)	3,814,821	3,305,758	9,006,559	1,534,317
Transfers	(1,948,874)	1,099,112	1,948,874	(1,099,112)	-	-
Increase (decrease) in net position	3,242,864	(672,329)	5,763,695	2,206,646	9,006,559	1,534,317
Net position-beginning	92,422,339	93,094,668	191,090,419	188,883,773	283,512,758	281,978,441
Prior period adjustments and restatements	-	-	-	-	-	-
Net position-beginning (re-stated)	92,422,339	93,094,668	191,090,419	188,883,773	283,512,758	281,978,441
Net position-ending	\$ 95,665,203	\$ 92,422,339	\$ 196,854,114	\$ 191,090,419	\$ 292,519,317	\$ 283,512,758

Governmental activities

Governmental activities increased the City's net position by \$3,242,864, whereas business type activities increased the City's net position by \$5,763,695. The largest impact to the City's net position is the effects from the pandemic. Restaurants, bars, schools, recreational group activities were closed for almost a year. Executive orders from the State prevented cut-offs for non-payment of services for utilities and renters.

Other items affecting the increases/decreases mentioned above are items that came from the following funds:

- Sales tax revenues increased approximately \$2,324,325 over the prior year in the General Fund. The City greatly benefited from the change in federal and state law to be able to collect sales tax on items sold over the internet and delivered to North Carolina. Internet sales exploded during the pandemic.
- Property tax collections were up over the prior year by \$1,314,972 in the General Fund. The increase in the collection of the property taxes is basically attributed to the high volume of residential homes sold, as well as an increase in the prices paid for these homes. This reflects a higher property tax value which results in higher property taxes.
- Grants and contributions increased by \$160,957. The increases can be attributed to additional grants being applied for and received by police and other programs. There were other minimum increases and decreases across the special revenue funds received in grant monies this year versus the prior year.

Other items affecting the changes in net position are below:

- For all of the internal service funds, which are the Dental Self Insurance Fund, Workers Compensation Self Insurance Fund, and Group Health Self Insurance Fund, claims were less than expected and resulted in approximately \$424,767 increase in net position. This is attributable to employees not going to the doctor unless absolutely necessary due to the pandemic.
- Miscellaneous revenue increased by approximately \$434,000. The increase comes from the onetime CARES funding received from the County in the amount of \$845,454. This increase is offset by approximately \$452,000 decreases in grants for police for two reason, some grants were finished as well as fewer grants being received. The remaining differences were minimal in the HOME program over the prior year.
- Charges for services increased by \$675,534 in the Governmental Activities. The increases are primarily due to increases in solid waste fees for sanitation which had not been increased since 2008. Additionally, the Fire Department began charging for fire inspections for the first time.

Figure 4

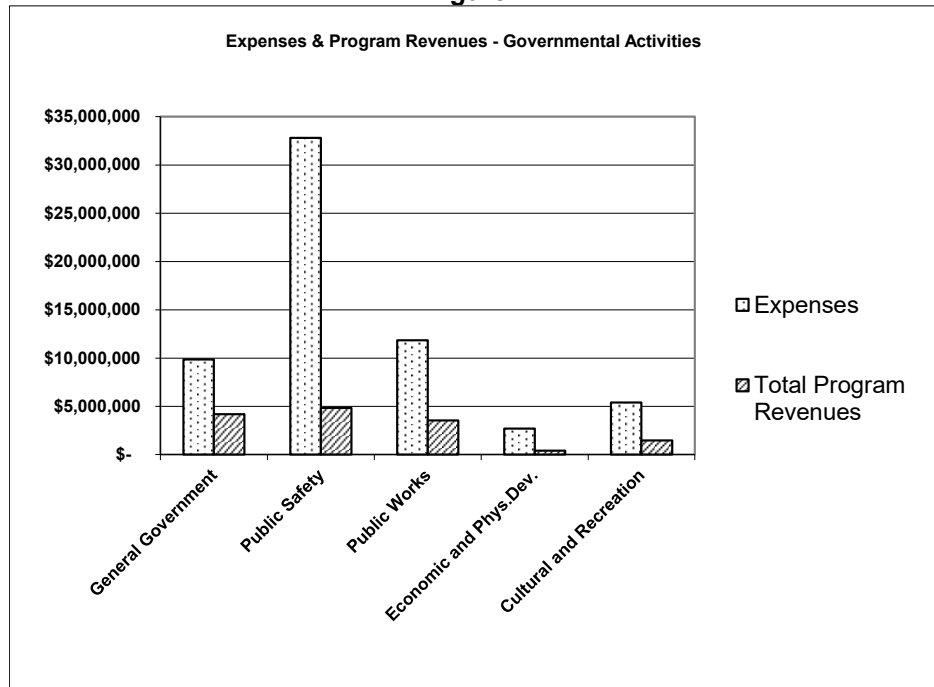
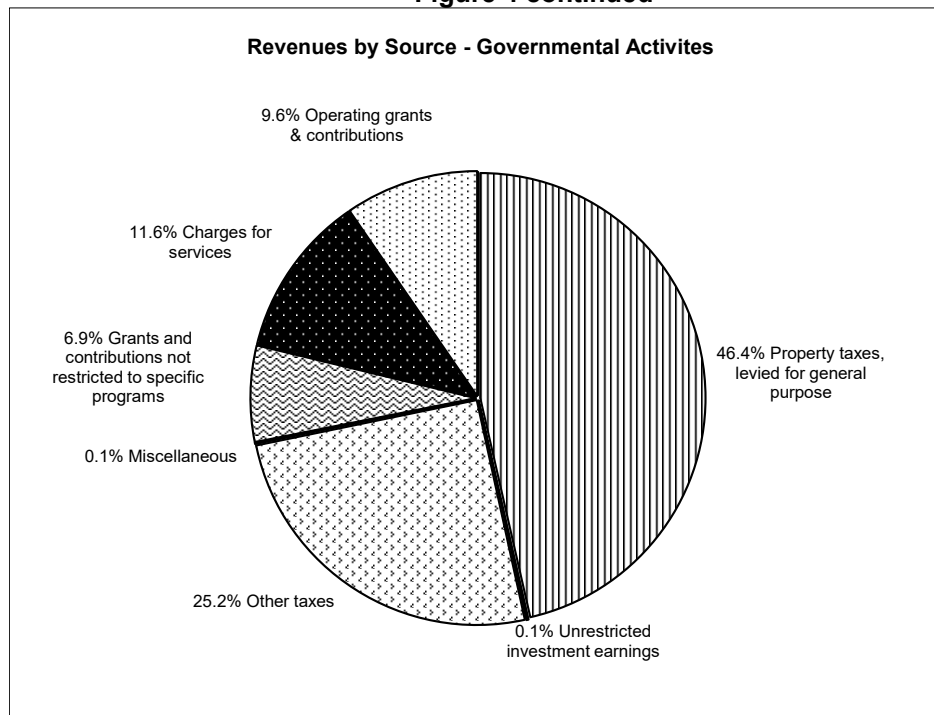


Figure 4 continued



- Ad valorem taxes provided 46.4% of the revenues for governmental activities in the General Fund, with other taxes and licenses providing 25.2% of revenues in the General Fund also.
- Expenses decreased approximately \$637,945 or 1%. The majority of the reductions were seen in Public Works and Recreation. Retirement expense saw an increase in the amount of \$363,091 from the prior year. A total reduction in travel was seen in the

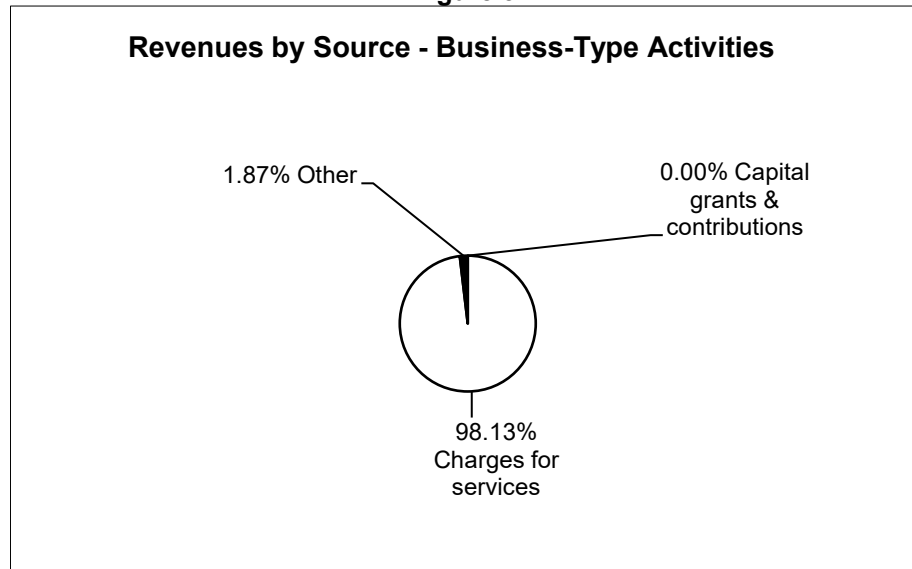
amount of \$70,344 due to a freeze in employee travel and training being moved to virtual platforms in response to the pandemic. Public Safety saw decreases in personnel services in the amount of \$151,584 that was offset with increases in overtime of \$128,897 due to vacant positions and turnover. Public Works saw a reduction in personnel costs in the amount of \$275,579 primarily due to vacant positions and retirements. There were also decreases in maintenance contracts in the amount of \$130,519. Recreation saw major reductions due primarily to programs not operating during the pandemic. Some of those reductions include overtime and part time hours worked in the amount of \$464,350. Recreation also saw reductions in supplies in the amount of \$77,120 and in automotive expenses and fuel in the amount of \$39,080.

Business-type activities

Business-type activities increased the City of Burlington's net position by \$5,763,695, accounting for 64% of the growth in the government's net position. Key elements of the increase in net position include increases and decreases and are as follows:

- In fiscal year 2020-2021, business type activities revenues decreased 0.66% for the Water Resources Fund. The 2.0% rate increase instituted by the City of Burlington for the 2020-2021 fiscal year in the Water Resources Fund was offset by decreases in consumption/billings and collections because many businesses and schools were shut down due to the pandemic. The rate increase amounted to approximately a 2.0% increase for water and sewer rates for all customers, inside and outside the corporate city limits. Even with this increase, Burlington's rates continue to remain below other cities with similar collection and distribution systems.
- Sales to the City of Greensboro remained relatively flat, the increase in rates offset by an overall decrease in consumption.
- There was an increase in the pension liability of \$620,280.
- The Transportation fund's expenses decreased by \$306,385 from 2020 to 2021. This is primarily due a decrease in services offered due to the pandemic.

Figure 5



- Expenses for business-type activities decreased \$202,796 from the preceding year. Expenses directly related to personnel saw a decrease of \$45,693. This is primarily due to vacant positions and turnover. General operating expenses decreased by \$84,487. Chemical expenses decreased \$21,415. Principal and interest expenses experienced a net decrease of \$52,105 due to refunding, while depreciation expenses increased by 8,426.
- The City operates three enterprise funds: the Water Resources Fund that constitutes most of the business-type activities, the Storm Water Fund, and the Transportation Fund. There is a small allocation of the internal service funds included in the business-type activities.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental funds: The focus of the City of Burlington's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City's financing requirements.

The General Fund is the chief operating fund of the City of Burlington. At the end of the current fiscal year, fund balance available in the General Fund was \$7,978,140, while total fund balance reached \$36,154,013. As a measure of the General Fund's liquidity, it may be useful to compare both available fund balance and total fund balance to total fund expenditures. Available fund balance represents 13.5% of total General Fund expenditures.

At June 30, 2021, the governmental funds of the City of Burlington reported a combined fund balance of \$56,682,857, an \$8,615,226 increase over last year. Key factors (increases and decreases) in the changes of the fund balances for the governmental funds are noted below:

- The Capital Reserve Fund had a net increase \$1,237,926, due to funds being returned to the Capital Reserve Fund for projects that were completed and a small amount is attributed to interest earnings. No funds were used from the Capital Reserve Fund for fiscal year 2020-2021.
- The Public Safety Special Revenue Funds had a net decrease of fund balances by \$249,765 after receiving monies from grants, new grant approvals, and expending the money on purchases in the current year.
- The Home Program, the Community Development Block Grant, and the Rental Rehabilitation Loan Programs when netted altogether, used and thus decreased fund balance by \$259,480.
- There was a \$6,202,414 increase in fund balance in the General Fund as a result of actual revenues being more than actual expenses. Specifically, property tax collections were up by approximately \$1,552,000 and sales tax was up approximately \$2,356,000. Interest earnings were \$830,837 lower than the prior year, due to the lower interest rates. Expenditures for transfers out were approximately \$5,500,000 less than last year. Last year a significant transfer out was made for North Park Pool. Offsetting the decrease in expenditures in transfers out were increases in personnel expenses for public safety, public works, and general government for approximately \$1,900,000. Offsetting this appropriation was the underspending of budgeted expenditures due to many recreation programs being shut down due to the pandemic.

General Fund Budgetary Highlights. During the fiscal year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: (1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; (2) amendments to recognize new funding amounts from external sources, such as Federal and State grants; and (3) increases in appropriations that become necessary to maintain services.

Differences between the original budget and the final amended budget were approximately a \$2,319,318 increase in appropriations, and the main items can be briefly summarized as follows:

- \$2,024,850 capital equipment financed consisting of the annual computer replacements for employees, 10 marked interceptor suv's, 2 busses, dump truck, and various other equipment.

Differences between the final amended budget and actual amounts can be briefly summarized as follows:

- Ad Valorem tax revenues were greater than final amended budgeted amounts due to a conservative estimate of a 97.34% collection rate rather than the actual 98.4% rate.
- Sales taxes were up \$3,748,910 largely in part to an increase in consumer spending during the fiscal year.
- Unrestricted intergovernmental revenues were up by a net of \$181,878. Major contributors were: receiving more than expected for ABC revenue (\$366,455), offset by receiving less than expected for State shared franchise tax (\$157,133) and for Alamance County fuel purchase (\$21,945).
- General government actual expenditures were \$867,933 under final amended budgeted expenditures. Largely in-part to the

conservative approach taken by staff and budgeted items not being incurred. Legal expenses were \$316,643 under budget, which can be attributed to the reduction in the need for (third-party) contracted legal services. The Planning department had \$161,819, Public Information department had \$84,217, Purchasing department had \$53,478, and Information Technologies had \$90,676 in unspent funds primarily due to open full positions and reductions operating expenditures.

- Expenditures pertaining to Public Safety were \$365,232 under final amended budgeted expenditures. Contributing factors were primarily due to vacant positions and operating expenditures for Police, Animal Services and Fire.
- Public Works actual expenditures were \$498,696 under final amended budgeted expenditures primarily due to vacant positions and capital expenditures not being expended.
- Cultural and Recreation actual expenditures were \$279,687 under final amended budgeted expenditures primarily due to vacant positions and programs not being offered during the COVID 19 pandemic.

Proprietary funds: The City of Burlington's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the Water Resources Fund, Storm Water Fund and Public Transportation Fund combined at the end of the fiscal year amounted to \$50,773,527. The total growth in net position was \$5,929,811. Other factors concerning the finances of this fund have already been addressed in the discussion of the City of Burlington's business-type activities.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets: The City of Burlington's investment in capital assets for its governmental and business-type activities as of June 30, 2021, totals \$220,362,876 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles, among other types of assets. This investment represents a increase of \$5,646,346. The capital asset decreases and increases are explained below. The OPEB and LEO pension liabilities increased by \$3,790,193 and \$2,005,758 respectively while the LGERS pension liability increased by \$3,433,837.

Major capital asset transactions during the year include the following additions (there were no significant demolitions or disposals):

Governmental activities:

Governmental Capital Assets had a net increase of \$5,189,726. The changes (outside of depreciation) are explained below:

- Construction in progress had a net decrease \$5,232,081. The majority of the decrease stems from completion of projects that were started in prior years and finished this fiscal year. Those projects include street resurfacing, North Park Pool renovations (\$3,628,000), Animal Shelter construction (\$5,309,335), and Willowbrook Arboretum construction (\$615,281). The decreases were offset with increases for projects started in this fiscal year not yet completed. Those include Dentzel Carousel renovations (\$2,611,955) and Greenway/Bikeway projects.

- Buildings had a net increase of \$8,624,931. The net increase represents the North Park Pool renovations, Animal Shelter Construction, and Willowbrook Arboretum Restrooms as well as proactive measures the City has taken over the years with maintenance and repairs in-order to preserve its buildings/structures.
- Equipment had a net increase of \$174,889. All of which was made up of purchases related to computer hardware, police in-car cameras, veterinary equipment and mowers.
- Vehicles had a net increase of \$220,848. The decrease in vehicles is due to depreciation and disposals of used and worn out vehicles in the amount of \$774,730. The following purchases offset the decreases: 10 police vehicles for \$350,850, 1 side loader (sanitation) for \$287,820, 1 Dump Truck (streets) for \$119,261, 2 busses (recreation) for \$108,264, and 15 other vehicles for \$362,142.25.

Business-type activities:

Business-type Capital Assets had a net decrease of \$3,344,920. The changes are explained below:

- There was no change in Land costs.
- Buildings experienced a decrease of \$1,841,421, primarily due to depreciation. Assets added were approximately \$939,308, consisting of \$189,860 for valve actuators, \$140,675 for a backwash pump upgrade, \$140,480 for a hypochlorite tank, \$128,480 for a roof replacement, \$75,912 for a clarifier drive, \$65,876 for the splash park bio cell, \$55,081 for a sludge pump replacement, and \$142,943 for other various improvement projects. These costs were offset by the depreciation amounts and \$2,106 in asset disposals.
- Infrastructure experienced a decrease of \$946,529. Assets added were approximately \$2,278,500, consisting of \$1,276,352 for transit PED improvements, \$359,185 for water system improvements, and \$642,964 for sewer collection system improvements. These costs were offset by the depreciation amounts for new and existing assets.
- General equipment experienced a net increase of \$130,380. Assets added were approximately \$449,583, consisting of \$66,477 for a gear drive assembly, \$44,913 for a horizontal screw auger, \$41,238 for a John Deere 4052R tractor, \$31,928 for an influent pump, \$31,861 for a return activated sludge pump, \$29,434 for a 2020 Sea Ark, \$29,433 for sand filter airlifts, \$29,158 for a fluoride tank, and \$110,490 for other machinery. These costs were offset by the depreciation amounts for new and existing assets.
- Vehicles experienced a net decrease of \$687,350. This amount is comprised of the depreciation amounts for existing assets, as well as \$270,413 in asset disposals.
- Construction in progress experienced an increase of \$4,002,442. The majority of this increase was due to \$2,844,758 JD Mackintosh Water Treatment Plant project, \$449,616 for the airport sewer expansion, \$361,497 for the AMI replacement, \$335,171 for the water main project, \$171,963 for the sewer line rehab project, and \$11,400 for water line replacement. Offsetting these increases were the completion of a \$171,963 sewer line rehab project. This project is considered to be complete and has been activated as fixed assets.

➤ No major demolitions were recorded this year.

Figure 6
City of Burlington Capital Assets
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 8,628,374	\$ 8,628,374	\$ 6,945,444	\$ 6,945,444	\$ 15,573,818	\$ 15,573,818
Buildings and system	35,640,610	27,015,679	40,165,515	42,002,722	75,806,125	69,018,401
Improvements other than buildings	-	-	83,929,627	86,506,363	83,929,627	86,506,363
Machinery and equipment	3,071,266	3,312,251	1,941,783	1,811,402	5,013,049	5,123,653
Infrastructure	20,289,995	17,941,451	1,807,434	177,226	22,097,429	18,118,677
Vehicles and motorized equipment	8,848,516	9,159,199	1,065,556	1,482,494	9,914,072	10,641,693
Construction in progress	3,735,090	8,967,171	4,293,665	766,754	8,028,755	9,733,925
Total	\$ 80,213,851	\$ 75,024,125	\$140,149,024	\$139,692,405	\$220,362,875	\$214,716,530

Additional information on the City's capital assets can be found in note III.4 of the Basic Financial Statements on pages 23-25.

Long-term debt: As of June 30, 2021, the City of Burlington had total bonded debt outstanding of \$29,249,653. Of this amount, all is backed by the full faith and credit of the City.

Figure 7
City of Burlington's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 2,389,000	\$ 2,897,000	\$ -	\$ -	\$ 2,389,000	\$ 2,897,000
Installment purchases	9,452,135	1,971,795	-	-	9,452,135	1,971,795
Revenue bonds	-	-	26,249,000	27,833,715	26,249,000	27,833,715
Compensated absences	3,200,492	2,812,555	360,880	321,313	3,561,372	3,133,868
OPEB liability	28,759,853	24,969,660	5,195,110	4,510,459	33,954,963	29,480,119
Net pension liability (LGERS)	14,890,113	11,456,276	2,689,714	2,069,434	17,579,827	13,525,710
Total pension liability (LEO)	8,554,267	6,548,509	-	-	8,554,267	6,548,509
Total	\$ 67,245,860	\$ 50,655,795	\$ 34,494,704	\$ 34,734,921	\$101,740,564	\$ 85,390,716

The City of Burlington's total debt increased by \$16,961,501 (19.9%) during the past fiscal year. The majority of this increase (\$10,534,719) comes from the increases in the City's OPEB and the Local Government Employees Retirement liabilities. Offsetting the increases in these liabilities were the decreases in GO bonds (\$508,000) and Revenue bonds (\$1,584,715). The City issued \$9,500,000 in installment financing, bearing an interest rate of 1.85%, to renovate a historic carousel, construct a carousel building, acquire a fire engine and various other vehicles/equipment and renovate/equip various improvements to existing facilities of the City (including City Hall, various fire stations, streetscapes and ballfields), to be paid back over a 15-year period.

As mentioned in the financial highlights of this document, the City of Burlington has maintained its bond ratings of Aa2 by Moody's Investor Services in a review in July 2021.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the City of Burlington is \$410,764,835. The City has no bonds authorized but un-issued at June 30, 2021.

Additional information regarding the City of Burlington's long-term debt can be found in note III.6, beginning on page 39 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following key economic indicators may explain the environment in which the City conducts its day to day business.

- Unemployment rates stayed fairly consistent from the previous fiscal year. Alamance County, where the City of Burlington is located, saw an average unemployment rate of 5.96 compared to 5.64 for 2019-2020. This

was true for the US and state averages too. The US average for 2020-2021 was 6.92 compared to 6.02 for the prior year and the state average for 2020-2021 was 6.01 compared to 5.72 for fiscal year 2019-2020.

- Interest rates on certificates of deposit, commercial paper, etc. continued to plummet with an average of 0.28%, an 83.9% decrease over last fiscal year. Again, due to the pandemic, the Federal Reserve Board has kept interest rates low to try and stimulate growth during this period of economic decline.
- Commercial construction permits increased from 1,064 permits issued in the prior year to 1,169 issued for the fiscal year ending 6/30/21. Residential construction permits also increased from 3,849 to 3,998 during the same period.
- The City's largest taxpayer, Laboratory Corporation of America (LabCorp) is a vital testing center for the Corona Virus. The company posted net revenue of \$3.8 billion for the quarter ending 6/30/21 compared to \$2.8 billion for the same quarter last year.

BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2022

Governmental activities: The pandemic had been around for over a year, schools and businesses were still shuttered during the budget process for the General Fund. General Fund revenues are budgeted for a \$3,246,192 increase over the prior year's budget. Property taxes are projected at a net \$731,939 increase. The increase in property taxes stems from the minimal growth in property values (from increases in construction of new properties residential and business) and discoveries. Sales tax has been projected to increase by another \$2,200,000. The amount of sales tax budgeted is based on the history experienced by the City during previous years and the strong showing in fiscal year 2020-2021. Decreases were also budgeted for recreation revenues due to the cancellation of many of their programs due to the pandemic. Increases in fees occurred for sanitation fees (\$572,800) as well as the fire department will begin charging for inspections, which has not been done in the past. The Federal Reserve Board has maintained the low interest rates in light of the pandemic as well. Economists predict that it could be a couple of years before rates are increased. Thus, interest earnings are projected to continue to be modest. The City continues to participate in performance measurement analysis. Specifically looking at indirect costs, measures validate that the dollar amount the General Fund is reimbursed from the Water Resources Fund for administrative charges is reasonable.

Budgeted expenditures, like the revenues, have an increase of \$3,426,192 when comparing the General Fund expenditures to the prior year. Typical recreation programs that have been budgeted for in the past were cut for next year due to the continued pandemic restrictions. Increases in personnel costs expenditures (\$2,257,834) is for five reasons. First, new positions were approved, 4 new firefighters, an animal service officer and positions that were frozen in the prior year were unfrozen. Second, there was an average 2% merit pay increase approved by Council. Third, the Local Government Retirement System increased mandatory employer contributions by the City. Fourth, health insurance costs continue to rise. Fifth, there was a job study done that evaluated one-third of the positions. Other increases include \$203,176 in capital purchased, \$136,874 in travel, \$178,421 increase in maintenance & service contracts, \$93,477 in fuel expenses, \$485,141 increase in debt payments and the remaining approximately \$70,000 are increases in various operational accounts.

Business-type activities: Total revenue is projected to increase by 1.9% over the previous fiscal year. The majority of the increase is due to a 1%

increase in water and sewer rates for fiscal year ending June 30, 2021 over the prior fiscal year ending June 30, 2020. Both water and sewer rates are double the inside rate for customers outside the corporate limits of the City. In addition, the "municipal service rate" remains the same such that the rate is now 110% of the inside sewer rate, thereby assuring that inside City customers would be paying the lesser rate for their sewer service. The City also received a grant that increases the revenue for fiscal year 2021-2022.

Operating expenses are also budgeted to increase by 1.9% over the previous fiscal year. Increases for personnel costs, \$472,505, are due to a one-time 2% merit approved by Council, increase in retirement contributions, health insurance, and overtime. Increases for operating expenses include the following; a \$374,700 increase in maintenance & service contracts, an increase in business liability insurance for \$100,000, and an increase in contracted lab services for \$80,000. Offsetting these increases is a decrease in debt of \$673,736 (due to refinancing the City's revenue bonds) and a decrease in utilities of \$135,300. In the next year's budget, there is a increase in costs for capital expenditures in the amount of \$157,190.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Burlington's finances for all those with an interest in the City's finances and its accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Burlington Finance & Risk Management Department, P. O. Box 1358, Burlington, North Carolina 27216-1358.



**BASIC
FINANCIAL STATEMENTS**

Exhibit 1

City of Burlington, North Carolina
Statement of Net Position
June 30, 2021

	Primary Government			Component Unit
	Governmental	Business-type	Total	Burlington Downtown Corporation
	Activities	Activities		
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 48,853,824	\$ 87,820,181	\$ 136,674,005	\$ 94,698
Taxes receivables (net)	936,741	-	936,741	16,486
Accrued interest receivable on taxes	427,769	-	427,769	-
Accounts receivable (net)	20,968,790	7,806,615	28,775,405	-
Internal balances	1,851,910	(1,851,910)	-	-
Inventories	-	1,421,717	1,421,717	-
Prepaid items	49,024	4,845	53,869	-
Restricted assets:				
Cash and cash equivalents	-	556,850	556,850	-
Total current assets	73,088,058	95,758,298	168,846,356	111,184
Capital assets (Note 1):				
Land, non-depreciable improvements, and construction in progress	12,363,464	11,239,109	23,602,573	-
Other capital assets, net of depreciation	67,850,387	128,909,915	196,760,302	-
Total noncurrent assets	80,213,851	140,149,024	220,362,875	-
Total assets	\$ 153,301,909	\$ 235,907,322	\$ 389,209,231	\$ 111,184
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferrals	10,544,621	1,441,576	11,986,197	-
OPEB deferrals	5,911,430	1,067,826	6,979,256	-
Total deferred outflows of resources	16,456,051	2,509,402	18,965,453	-
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 5,429,605	\$ 5,838,024	\$ 11,267,629	\$ 4,670
Accrued interest payable	220,575	382,293	602,868	-
Customer deposit	-	556,850	556,850	-
Payable from restricted assets	-	-	-	-
Current portion of long-term liabilities	3,109,749	2,171,219	5,280,968	-
Total current liabilities	8,759,929	8,948,386	17,708,315	4,670
Noncurrent liabilities:				
Net pension liability - LGERS	14,890,113	2,689,714	17,579,827	-
Net pension liability - LEO	8,554,267	-	8,554,267	-
OPEB liability	28,759,853	5,195,110	33,954,963	-
Due in more than one year	11,931,878	24,438,660	36,370,538	-
Total noncurrent liabilities	64,136,111	32,323,484	96,459,595	-
Total liabilities	72,896,040	41,271,870	114,167,910	4,670
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on refunding	76,866	111,400	188,266	-
Pension deferrals	321,659	35,156	356,815	-
OPEB deferrals	798,192	144,184	942,376	-
Total deferred inflows of resources	1,196,717	290,740	1,487,457	-
NET POSITION				
Net Investment in capital assets	68,295,851	113,788,624	182,084,475	-
Restricted for:				
Capital projects	8,320,172	34,143,873	42,464,045	-
Public safety	-	-	-	-
Economic development	2,875,876	-	2,875,876	-
Stabilization by State Statute	7,005,698	-	7,005,698	-
Unrestricted	9,167,606	48,921,617	58,089,223	106,514
Total net position	\$ 95,665,203	\$ 196,854,114	\$ 292,519,317	\$ 106,514

The notes to the financial statements are an integral part of this statement.

City of Burlington, North Carolina
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government		
						Business-type Activities	Total	Component Unit
Primary government:								
Governmental Activities:								
General government	\$ 9,855,069	\$ 3,062,803	\$ 1,116,662	\$ -	\$ (5,675,604)	\$ -	\$ (5,675,604)	\$ -
Public safety	32,789,701	1,276,087	3,570,213	-	(27,943,401)	-	(27,943,401)	-
Public works	11,834,268	1,727,625	1,821,358	-	(8,285,285)	-	(8,285,285)	-
Economic and physical development	2,708,188	396,587	20,290	-	(2,291,311)	-	(2,291,311)	-
Cultural and recreation	5,410,416	1,470,349	8,786	-	(3,931,281)	-	(3,931,281)	-
Interest on long-term debt	359,199	-	-	-	(359,199)	-	(359,199)	-
Total governmental activities (See Note 1)	62,956,841	7,933,451	6,537,309	-	(48,486,081)	-	(48,486,081)	-
Business-type activities:								
Non-major enterprise funds								
Water and sewer	2,497,959	2,084,774	-	-	-	(413,185)	(413,185)	-
Total business-type activities	27,880,372	31,469,637	-	-	-	3,589,265	3,589,265	-
	30,378,331	33,554,411	-	-	-	3,176,080	3,176,080	-
Total primary government	\$ 93,335,172	\$ 41,487,862	\$ 6,537,309	\$ -	\$ (48,486,081)	\$ 3,176,080	\$ (45,310,001)	\$ -
Component unit:								
Burlington Downtown Corporation	\$ 306,793	\$ 136,847	\$ 51,465	\$ -	\$ -	\$ -	\$ -	(118,481)
Total component units	\$ 306,793	\$ 136,847	\$ 51,465	\$ -	\$ -	\$ -	\$ -	\$ (118,481)
General revenues:								
Taxes:								
Property taxes, levied for general purpose					31,641,594	-	31,641,594	-
Local options sales tax					16,751,276	-	16,751,276	-
Other taxes and licenses					411,635	-	411,635	-
Grants and contributions not restricted to specific programs					4,700,459	-	4,700,459	-
Unrestricted investment earnings					98,285	686,704	784,989	235
Miscellaneous					74,570	(47,963)	26,607	-
Transfers					(1,948,874)	1,948,874	-	-
Total general revenues, special items, and transfers					51,728,945	2,587,615	54,316,560	235
Change in net position					3,242,864	5,763,695	9,006,559	(118,246)
Total net position previously reported					92,422,339	191,090,419	283,512,758	224,760
Restatement					-	-	-	-
Total net position-beginning					92,422,339	191,090,419	283,512,758	224,760
Net position-ending					\$ 95,665,203	\$ 196,854,114	\$ 292,519,317	\$ 106,514

The notes to the financial statements are an integral part of this statement.

**City of Burlington
Balance Sheet
Governmental Funds
June 30, 2021**

Exhibit 3

	MAJOR FUND		Total Non-Major Funds	Total Governmental Funds
	General	HOME Program Project Fund		
ASSETS				
Cash and cash equivalents	\$ 33,954,851	\$ 769,413	\$ 4,660,774	\$ 39,385,038
Restricted cash	5,305,752	-	-	5,305,752
Receivables, net:				
Taxes	874,701	-	62,040	936,741
Accounts	6,235,645	-	5,846,194	12,081,839
Housing rehabilitation loans	-	-	1,683,706	1,683,706
Accrued interest	-	-	4,705	4,705
Home incentive loans	-	6,053,381	32,000	6,085,381
Prepaid items	49,024	-	-	49,024
Total assets	46,419,973	6,822,794	12,289,419	65,532,186
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	4,083,584	-	1,145,507	5,229,091
Total liabilities	4,083,584	-	1,145,507	5,229,091
Deferred Inflows of Resources				
Property taxes receivable	873,822	-	-	873,822
Due to other funds	-	-	-	-
Deferred revenue	-	2,684,376	62,040	2,746,416
Total deferred inflows of resources	873,822	2,684,376	62,040	3,620,238
Fund balances:				
Restricted:				
Stabilization by State Statute	7,005,698	-	-	7,005,698
Historic Books	1,418	-	-	1,418
Animal Shelter	46,802	-	-	46,802
Daphnes Garden	25,739	-	-	25,739
PEG Support	16,482	-	-	16,482
Economic Development	-	3,942,236	2,506,463	6,448,699
Public Safety	-	-	63,394	63,394
Committed:				
Capital Improvements	-	-	8,320,172	8,320,172
Capital Reserve Fund	5,308,554	-	-	5,308,554
Assigned				
Subsequent Years Expenditures	1,636,986	196,182	452,107	2,285,275
General Government	4,234,000	-	-	4,234,000
Parks and Recreation	2,415,897	-	-	2,415,897
Public Safety	5,620,551	-	-	5,620,551
Economic Development	3,000,000	-	-	3,000,000
Public Works	4,172,300	-	-	4,172,300
Unassigned	7,978,140	-	(260,264)	7,717,876
Total fund balances	41,462,567	4,138,418	11,081,872	56,682,857
Total liabilities and fund balances	\$ 46,419,973	\$ 6,822,794	\$ 12,289,419	

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Gross capital assets at historical costs - \$152,970,834 Accumulated depreciation - (\$67,850,387)	80,213,851
Deferred outflows of resources related to pensions are not reported in the funds.	16,887,635
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are inflows of resources in the funds	427,769
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	1,851,910
Liabilities for earned revenues considered deferred inflows of resources in fund statements.	3,620,238
Deferred inflows of resources related to pensions are not reported in the funds.	(1,119,851)
Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net assets.	4,644,096
Net pension liability - LGERS	(14,890,113)
Other long-term debt (post employment benefits) are not due and therefore are not reported in the funds.	(28,759,854)
Net pension liability - LEO	(8,554,267)
Some liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds. General obligation bonds-\$2,389,000 installment purchases-\$9,452,135 Compensated absences-\$3,200,492, accrued interest-\$220,575 and bond issuance cost \$76,866	(15,339,068)
Net position of governmental activities:	<u>\$ 95,665,203</u>

The notes to the financial statements are an integral part of this statement.

City of Burlington
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2021

	MAJOR FUND		Total Non-Major Funds	Total Governmental Funds
	General Fund	HOME Program Project Fund		
REVENUES				
Ad valorem taxes	\$ 31,558,115	\$ -	\$ 136,847	\$ 31,694,962
Other taxes and licenses	16,753,144	-	-	16,753,144
Unrestricted intergovernmental	5,042,878	-	156,964	5,199,842
Restricted intergovernmental	3,523,703	-	12,020,350	15,544,053
Permits and fees	1,956,028	-	-	1,956,028
Sales and services	3,922,137	-	40,360	3,962,497
Investment earnings	102,663	-	29,305	131,968
Miscellaneous	358,500	50,173	14,924	423,597
Total revenues	63,217,168	50,173	12,398,750	75,666,091
EXPENDITURES				
Current:				
General government	8,561,888	-	-	8,561,888
Public safety	28,121,240	-	398,210	28,519,450
Public works	10,571,995	-	-	10,571,995
Economic and physical development	-	150	2,020,670	2,020,820
Culture and recreation	6,302,060	-	191,811	6,493,871
Debt service:				
Principal	2,527,660	-	-	2,527,660
Interest and other charges	98,574	-	-	98,574
Capital outlay	2,025,701	-	4,881,038	6,906,739
Total expenditures	58,209,118	150	7,491,729	65,700,997
Excess (deficiency) of revenues over expenditures	5,008,050	50,023	4,907,021	9,965,094
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	1,350,051	-	295,187	1,645,238
Transfers to other funds	(1,072,395)	-	(4,077,345)	(5,149,740)
Sale of properties & materials	129,784	-	-	129,784
Issuance of installment purchase	2,024,850	-	-	2,024,850
				-
Total other financing sources (uses)	2,432,290	-	(3,782,158)	(1,349,868)
Net change in fund balance	7,440,340	50,023	1,124,863	8,615,226
Fund balances-beginning	34,022,227	4,088,395	9,957,009	48,067,631
Prior period adjustment	-	-	-	-
Fund balances-beginning adjusted	34,022,227	4,088,395	9,957,009	48,067,631
Fund balances-ending	\$ 41,462,567	\$ 4,138,418	\$ 11,081,872	\$ 56,682,857

The notes to the financial statements are an integral part of this statement.

(continued)

Exhibit 4
(continued)

City of Burlington
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2021

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ 8,615,226
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. This is the amount by which capital outlay- \$10,290,351 exceeded depreciation-(\$5,015,710).	5,274,821
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	3,159,117
OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities	1,373,610
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in deferred revenue for economic development loans receivable	610,194
Change in accrued interest receivable	70,953
Change in unavailable revenue for tax revenues	411,526
The issuance of long-term debt 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 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. (Issuance of debt- (\$9,500,000), principal expenditures- \$2,527,660 change in accrued interest payable- (\$119,047) and net change amortization \$15,373.	(6,837,920)
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.	
Pension expense	(5,657,198)
Net pension obligation LEO	566,781
Compensated absences	(387,937)
Other post employment benefits	(3,790,193)
Net revenue of internal service funds determined to be governmental-type.	<u>(166,116)</u>
Total changes in net position of governmental activities	<u>\$ 3,242,864</u>

The notes to the financial statements are an integral part of this statement.

City of Burlington
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2021

Exhibit 5

	General Fund			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Ad valorem taxes	\$ 29,734,040	\$ 29,734,040	\$ 31,558,115	\$ 1,824,075
Other taxes and licenses	12,689,155	13,057,628	16,753,144	3,695,516
Unrestricted intergovernmental	4,861,000	4,861,000	5,042,878	181,878
Restricted intergovernmental	3,149,127	3,527,381	3,486,608	(40,773)
Permits and fees	1,786,725	2,027,725	1,956,028	(71,697)
Sales and services	4,460,144	3,775,144	3,922,137	146,993
Investment earnings	500,000	100,000	75,837	(24,163)
Miscellaneous	186,000	186,000	358,500	172,500
Total revenues	57,366,191	57,268,918	63,153,247	5,884,329
Expenditures:				
Current:				
General government	10,263,727	10,979,338	10,086,097	893,241
Public safety	28,112,457	29,132,835	28,776,585	356,250
Public works	11,159,440	12,266,887	11,736,813	530,074
Cultural and recreation	6,822,493	6,298,375	6,018,689	279,686
Principal retirement	2,566,461	2,566,461	2,527,660	38,801
Interest and other charges	128,599	128,599	98,574	30,025
Total expenditures	59,053,177	61,372,495	59,244,418	2,128,077
Revenues over (under) expenditures	(1,686,986)	(4,103,577)	3,908,829	8,012,406
Other financing sources (uses):				
Transfers from other funds	-	138,951	138,951	-
Transfers to other funds	-	-	-	-
Sale of properties and materials	50,000	64,570	129,784	65,214
Installment financing	-	2,024,850	2,024,850	-
Total other financing sources (uses)	50,000	2,228,371	2,293,585	65,214
Revenues and other financing sources over (under) expenditures and other financing uses	(1,636,986)	(1,875,206)	6,202,414	<u>\$ 8,077,620</u>
Fund balances appropriated	1,636,986	1,875,206		
Fund balances, beginning of year	-	-	29,951,599	
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,154,013</u>	
A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Interest Income			\$ 26,826	
Transfer from General Fund			-	
Transfer from other funds			1,211,100	
Transfer to other funds			-	
Fund balance beginning			4,070,628	
Fund Balance Ending (Exhibit 4)			<u>\$ 41,462,567</u>	

The notes to the financial statements are an integral part of this statement.

Exhibit 6

City of Burlington
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-Type Activities			Internal Service Funds
	Water and Sewer Fund	Non-Major Enterprise Funds	Total	
ASSETS				
Cash and cash equivalents	\$ 80,376,198	\$ 7,443,983	\$ 87,820,181	\$ 4,163,033
Accounts receivable (net) - billed	5,121,036	319,055	5,440,091	365,957
Accounts receivable (net) - unbilled	2,366,524	-	2,366,524	-
Due from other funds	-	-	-	-
Prepaid assets	4,845	-	4,845	-
Inventories	1,421,717	-	1,421,717	-
Restricted assets:				
Cash and cash equivalents	556,850	-	556,850	-
Total current assets	89,847,170	7,763,038	97,610,208	4,528,990
Capital assets:				
Land and other non-depreciable assets	11,239,109	-	11,239,109	-
Other capital assets, net of depreciation	126,673,608	2,236,307	128,909,915	-
Capital assets (net)	137,912,717	2,236,307	140,149,024	-
Total noncurrent assets	137,912,717	2,236,307	140,149,024	-
Total assets	227,759,887	9,999,345	237,759,232	4,528,990
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferrals	\$ 1,297,418	\$ 144,158	\$ 1,441,576	\$ -
OPEB deferrals	1,067,826	-	1,067,826	-
Total deferred outflows of resources	\$ 2,365,244	\$ 144,158	\$ 2,509,402	\$ -
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 1,827,529	\$ 4,392,788	\$ 6,220,317	\$ 1,046,587
Due to other funds	-	-	-	-
Compensated absences - current	86,937	3,282	90,219	-
Other postemployment benefits	-	-	-	-
General obligation bonds payable-current	-	-	-	-
Revenue bonds payable	2,081,000	-	2,081,000	-
Liabilities payable from restricted assets:				
Customer deposits	556,850	-	556,850	-
Total current liabilities	4,552,316	4,396,070	8,948,386	1,046,587
Noncurrent liabilities:				
Other noncurrent liabilities:				
Pension liability	2,420,743	268,971	2,689,714	-
OPEB liability	5,195,110	-	5,195,110	-
Compensated absences	260,813	9,847	270,660	-
General obligation bonds payable-noncurrent (net)	-	-	-	-
Revenue bonds payable	24,168,000	-	24,168,000	-
Total noncurrent liabilities	32,044,666	278,818	32,323,484	-
Total liabilities	36,596,982	4,674,888	41,271,870	1,046,587
DEFERRED INFLOWS OF RESOURCES				
Pension deferrals	31,640	3,516	35,156	-
OPEB deferrals	144,184	-	144,184	-
Deferred gain on refunding	111,400	-	111,400	-
Total deferred inflows of resources	287,224	3,516	290,740	-
NET POSITION				
Net investment in capital assets	111,552,317	2,236,307	113,788,624	
Restricted for Capital projects	34,143,873	-	34,143,873	
Unrestricted	47,544,735	3,228,792	50,773,527	3,482,403
Total net position	\$ 193,240,925	\$ 5,465,099	198,706,024	\$ 3,482,403
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			(1,851,910)	
Net position of business-type activities			\$ 196,854,114	

The notes to the financial statements are an integral part of this statement.

Exhibit 7

City of Burlington
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Business-Type Activities			Governmental Activities-
	Water and Sewer Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 30,094,959	\$ 1,781,037	\$ 31,875,996	\$ 8,380,292
Other operating revenues	1,374,678	303,737	1,678,415	-
Total operating revenues	31,469,637	2,084,774	33,554,411	8,380,292
OPERATING EXPENSES				
Building and administrative	4,153,171	-	4,153,171	434,268
Customer services	1,964,282	2,240,534	4,204,816	112,818
Supervision - lines	406,749	-	406,749	-
Line maintenance and repairs	1,338,139	-	1,338,139	-
Line services and construction	701,134	-	701,134	-
Supervision - treatment	858,690	-	858,690	-
Water source of supply	200,936	-	200,936	-
Water plant operations	3,287,284	-	3,287,284	-
Sewage treatment plant operations	4,703,184	-	4,703,184	-
Laboratories	648,599	-	648,599	-
Plants maintenance	1,141,280	-	1,141,280	-
Lakes and marinas	528,079	-	528,079	-
Depreciation	6,482,367	257,425	6,739,792	-
Claims paid, excess loss coverage and claims administration	-	-	-	8,978,836
Total operating expenses	26,413,894	2,497,959	28,911,853	9,525,922
Operating income (loss)	5,055,743	(413,185)	4,642,558	(1,145,630)
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	653,995	32,709	686,704	14,769
Interest and other charges	(1,300,362)	-	(1,300,362)	-
Total nonoperating revenue (expenses)	(646,367)	32,709	(613,658)	14,769
Income (loss) before contributions and transfers	4,409,376	(380,476)	4,028,900	(1,130,861)
Loss on disposal of fixed assets	-	(47,963)	(47,963)	-
Transfers to other funds	(541,926)	-	(541,926)	-
Transfers from other funds	-	2,490,800	2,490,800	1,555,628
Change in net position	3,867,450	2,062,361	5,929,811	424,767
Total net position - beginning	189,373,475	3,402,738		3,057,635
Total net position - ending	\$ 193,240,925	\$ 5,465,099		\$ 3,482,402
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			(166,116)	
Change in net position - business-type activities			\$ 5,763,695	

The notes to the financial statements are an integral part of this statement.

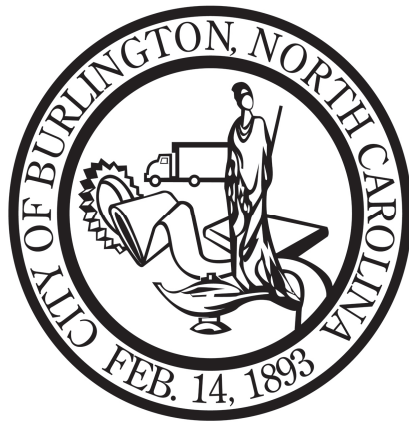


Exhibit 8

City of Burlington
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2021

	Enterprise Funds			Internal Service Funds
	Water and Sewer Fund	Non-Major Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 32,115,082	\$ 2,117,442	\$ 34,232,524	\$ 8,328,860
Cash paid for goods and services	(11,850,592)	131,416	(11,719,176)	(9,039,828)
Cash paid to or on behalf of employees for services	(7,480,238)	(461,878)	(7,942,116)	(434,268)
Net cash provided (used) by operating activities	12,784,252	1,786,980	14,571,232	(1,145,236)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
(Increase) decrease in due to/from other funds payables	-	-	-	-
Transfers from other funds	-	2,490,800	2,490,800	1,555,628
Transfers to other funds	(541,926)	-	(541,926)	-
Total cash flows provided (used) by noncapital financing activities	(541,926)	2,490,800	1,948,874	1,555,628
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(5,968,420)	(1,647,103)	(7,615,523)	-
Principal paid on bond maturities	(1,735,000)	-	(1,735,000)	-
Interest and fees paid on debt maturities	(1,698,153)	-	(1,698,153)	-
Net cash used by capital and related financing activities	(9,401,573)	(1,647,103)	(11,048,676)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	826,686	33,419	860,105	14,769
Net increase (decrease) in cash and cash equivalents	3,667,439	2,664,096	6,331,535	425,161
Balances-beginning of the year	77,265,609	4,779,887	82,045,496	3,737,872
Balances-end of the year	<u>\$ 80,933,048</u>	<u>\$ 7,443,983</u>	<u>\$ 88,377,031</u>	<u>\$ 4,163,033</u>
Reconciliation of Cash and Cash Equivalents:				
Cash and Cash Equivalents - Current	\$ 80,376,198	\$ 7,443,983	\$ 87,820,181	\$ 4,163,033
Cash and Cash Equivalents - Restricted	556,850	-	556,850	-
Total Cash and Cash Equivalents - June 30, 2019	<u>\$ 80,933,048</u>	<u>\$ 7,443,983</u>	<u>\$ 88,377,031</u>	<u>\$ 4,163,033</u>

(continued)

The notes to the financial statements are an integral part of this statement.

Exhibit 8
(continued)

City of Burlington
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2020

	Water and Sewer Fund	Non-Major Enterprise Funds	Total	Internal Service Fund
Reconciliation of operating income to net cash provided (used) by operating activities				
Operating income (loss)	<u>\$ 5,055,743</u>	<u>\$ (413,185)</u>	<u>\$ 4,642,558</u>	<u>\$ (2,632,913)</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	6,482,367	257,425	6,739,792	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	645,445	2,066	647,511	(49,493)
(Increase) decrease in inventory	(35,735)	-	(35,735)	-
Decrease in net pension asset	-	-	-	-
(Increase) decrease in deferred outflows of resources pensions	(105,045)	(132,114)	(237,159)	-
Increase (decrease) in net pension liability	372,003	248,277	620,280	-
Decrease in deferred inflows of resources-pension	5,834	3,255	9,089	-
Increase(decrease) in accounts payable and accrued liabilities	94,817	1,823,785	1,918,602	17,672
Increase (decrease) in accrued vacation pay	42,096	(2,529)	39,567	-
Increase in deferred outflows of resources - OPEB	(414,625)	-	(414,625)	-
Increase in deferred inflows of resources - OPEB	(58,533)	-	(58,533)	-
Decrease in OPEB liability	684,651	-	684,651	-
Increase in customer deposits	15,234	-	15,234	-
Total adjustments	<u>7,728,509</u>	<u>2,200,165</u>	<u>9,928,674</u>	<u>(31,821)</u>
Net cash provided (used) by operating activities	<u>\$ 12,784,252</u>	<u>\$ 1,786,980</u>	<u>\$ 14,571,232</u>	<u>\$ (2,664,734)</u>
Noncash contributions of capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

CITY OF BURLINGTON, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For The Fiscal Year Ended June 30, 2021

I. Summary of Significant Accounting Policies:

The accounting policies of the City of Burlington and its discretely presented component unit conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The City of Burlington is a municipal corporation that is governed by an elected mayor and a four-member council. As required by generally accepted accounting principles, these financial statements present the City and its component unit, a legally separate entity for which the City is financially accountable. The discretely presented component unit presented below is reported in a separate column in the City's financial statements in order to emphasize that it is legally separate from the City.

Burlington Downtown Corporation

The Burlington Downtown Corporation exists to promote economic and physical development in the downtown area. The Corporation is financed primarily by proceeds of property taxes levied on the Downtown Special Tax District by the City Council of the City of Burlington. The Corporation has a separate board that governs its operations. The City approves the annual budget of the Burlington Downtown Corporation. The Corporation, which has a June 30 year-end, is presented as if it were a governmental fund. Complete financial statements for this component unit may be obtained from the Burlington Downtown Corporation, P.O. Box 761, Burlington, NC 27216.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government and its component unit. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

I. Summary of Significant Accounting Policies: (continued)

Fund Financial Statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category – *governmental and proprietary*– are presented. The City has no fiduciary funds to report. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings.

The City reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the City. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for public safety, public works, recreation, and general government services.

Capital Reserve Capital Project Fund. The City has legally adopted a Capital Reserve Fund. Under GASB 54 guidance the Capital Reserve Fund is consolidated in the General Fund. The budgetary comparison for the Capital Reserve Fund has been included in the supplemental information. This fund is used to account for funds reserved for future capital projects.

HOME Program Project Fund. This fund is used to account for specific revenue sources that are legally restricted to expenditures for the HOME Program.

The City reports the following non-major governmental funds:

Special Revenue Funds. The Special Revenue funds account for specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The City has thirteen Special Revenue Funds: the Community Development Fund, the Rehabilitation Loan Program Fund, the Rental Rehabilitation Loan Program Fund, the Downtown Special Tax District Fund, the RICO Fund, the Edward Byrne Justice Assistance Grant Fund, the Guilford Mackintosh Fund, the Controlled Substance Tax Fund, the MPO Planning Transportation Fund, the Medicare Part D Grant Project Fund, Public Transportation Fund, Bureau of Justice Assistance Community Oriented Policing Grant Fund, the Governor's Crime Commission Human Trafficking Grant and the CARES Act Grant Fund.

Capital Projects. The Capital Project Fund is used to account for financial resources to be used for the acquisition and/or construction of major capital facilities (other than those financed in the enterprise fund) and infrastructure. The city has 6 projects at this time.

The City reports the following major enterprise fund:

Water and Sewer Fund. This fund is used to account for the City's operations and maintenance of the water and sewer system, which includes operation of 2 waste water treatment facilities and 2 water treatment plants. This fund also covers acquisition and/or construction of major utility capital facilities and infrastructure projects, sewer projects and utility capital reserve.

I. Summary of Significant Accounting Policies: (continued)

The City reports the following non-major enterprise funds:

Public Transportation Fund. This fund is used to account for the City of Burlington's public transportation system. The fund is supported with federal grants, donations, contributions from participating local governments, and contributions from the City of Burlington.

Storm Water Fund. This fund is used to account for the federally mandated program of storm water system management, which is supported by a city-wide storm water fee.

The City reports the following fund type:

Internal Service Fund. The Internal Service Funds account for the general insurance program of the City. The City of Burlington has three Internal Service Funds: the Dental Self-Insurance Fund, the Workers Compensation Self-Insurance Fund, and the Group Health Benefits Self-Insurance Fund.

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the City are maintained during the year using the modified accrual basis of accounting.

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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.

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

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported

I. Summary of Significant Accounting Policies: (continued)

as expenditures in governmental funds. Issuance of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The City considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Sales taxes are considered a shared revenue for the City of Burlington because the tax is levied by Alamance County and then remitted and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Budgetary Data

The City's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, and the Enterprise Funds. An annual budget is also adopted for the following Special Revenue and Capital Project Funds: Rehabilitation Loan Program Fund, Rental Rehabilitation Loan Program Fund, Downtown Special Tax District Fund, Rico Fund, Guilford Mackintosh Fund, Controlled Substance Tax Fund, MPO Planning Transportation Fund, Capital Reserve Fund, and Drainage Improvement Fund. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for all other Special Revenue and Capital Projects Funds. The City's Dental Self Insurance Fund, Workers Compensation Self Insurance Fund and Group Health Benefits Self Insurance Fund, intragovernmental service funds, operate under financial plans that were adopted by the governing board at the time the City's budget ordinance was approved, as is required by the General Statutes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$2,500. All amendments must be approved by the Council. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

I. Summary of Significant Accounting Policies: (continued)

E. Assets, Liabilities, and Deferred Outflows/Inflows of Resources and Fund Equity

1. Deposits and Investments

All deposits of the City and the Burlington Downtown Corporation are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The City and the Burlington Downtown Corporation may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the City and the Burlington Downtown Corporation may establish time deposit accounts such as money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the City and the Burlington Downtown Corporation to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The City's and the Burlington Downtown Corporation's investments are reported at fair value. The NCCMT-Government Portfolio, a SEC registered (2a-7) external money market mutual fund, is measured at fair value. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

In accordance with State law, the City has invested in securities which are callable and which provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value as determined by quoted market prices.

2. Cash and Cash Equivalents

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The Burlington Downtown Corporation considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

3. Restricted Assets

Customer deposits held by the City before any services are supplied are restricted to the service for which the deposit was collected. Powell Bill funds are also classified as restricted cash because they can be expended only for the purposes outlined in G.S. 136-41.1 through 136-41.4

City of Burlington Restricted Cash

Business-type Activities

Water Resources Fund	
Customer deposits	\$ 551,118
Total Business-type Activities	\$ 551,118
 Total Restricted Cash	 \$ 551,118

I. Summary of Significant Accounting Policies: (continued)

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the City levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2020. As allowed by State law, the City has established a schedule of discounts that apply to taxes paid prior to the due date. In the City's General Fund and Downtown Special Tax District Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

6. Inventory and Prepaid Items

The inventories of the City are valued at cost (first-in, first-out), which approximates market. The City's General Fund inventory consists of expendable supplies that are recorded as expenditures when used rather than when purchased.

The inventories of the City's enterprise funds consist of materials and supplies held for subsequent use. The cost of these inventories is expensed when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government wide and fund financial statements and expensed as the items are used.

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: land, \$10,000; buildings, improvements, substations, lines and other plant and distribution systems, \$15,000; infrastructure, \$20,000; furniture and equipment, \$5,000; vehicles and motorized equipment, \$10,000; and computer equipment, \$5,000. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

I. Summary of Significant Accounting Policies: (continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	50
Buildings	40
Improvements	40
Vehicles	7
Furniture and equipment	10
Computer equipment	3

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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 that applies to a future period and so will not be reported as an expense or expenditure until then. The City has two items that meet this criterion, contributions made to the pension plan deferrals and OPEB deferrals for in the 2021 fiscal year. In addition to liabilities, the statement of financial 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 that applies to a future period and so will not be recognized as revenue until then. The City has several items that meet the criterion for this category – prepaid taxes, deferred gain on refunding, property taxes receivable and pension and OPEB deferrals.

9. 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 straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs are expensed in the reporting period in which they are incurred. Prepaid insurance cost are expensed over the life of the debt.

In 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.

10. Compensated Absences

The vacation policies of the City provides for the accumulation of up to forty-eight (48) days earned but unused annual leave, which would be paid to employees upon separation from the City. For the City's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The City has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

I. Summary of Significant Accounting Policies: (continued)

The City's sick leave policies provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the City has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

11. Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net positions represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as non-spendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

Restricted for Streets - Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of unexpended Powell Bill funds.

Restricted for Economic Development - portion of fund balance that is restricted by revenue source for use for economic development purposes.

Restricted for Public Safety - portion of fund balance that is restricted by revenue source for use for public safety purposes.

I. Summary of Significant Accounting Policies: (continued)

Restricted for Historic Books - portion of fund balance that is restricted by donor's from the sale of a historical book on the architecture of Burlington and is restricted toward the restoration of the City.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of City of Burlington's City Council (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise this limitation.

Committed for Capital Improvements – portion of fund balance designated by the City of Burlington's City Council for capital improvement projects.

Committed for Capital Reserve Fund - portion of fund balance designated by the City of Burlington's City Council for capital improvement projects.

Assigned fund balance – portion of fund balance that the City of Burlington intends to use for specific purposes. The City of Burlington's City Council designated to the City Manager the authority to make assigned fund balance appropriations as part of the City of Burlington's fund balance policy.

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation.

Public Works - portion of fund balance that has been budgeted by the board for equipment in public works.

Recreation and Parks - portion of the fund balance that has been budgeted by the board for the carousel, community centers, swim complex, and camp green leaves projects in the recreation department.

Unassigned fund balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The City of Burlington has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy; bond proceeds, federal funds, State funds, local non-city funds, city funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the City.

The City of Burlington has also adopted a minimum fund balance policy for the general fund which instructs management to conduct the business of the City in such a manner that available fund balance is at least equal to or greater than 4 months of expenditures which equals 33% of budgeted expenditures. Any portion of the general fund in excess of 33% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the City in a future budget.

12. Defined Benefit Cost-Sharing Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net

I. Summary of Significant Accounting Policies: (continued)

position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as

they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The City of Burlington's employer contributions are recognized when due and the City of Burlington has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

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

II. Stewardship, Compliance, and Accountability

A. Deficit in Fund Balance or Net Position of Individual Funds

For the year ended June 30, 2021 the Public Transportation Fund had a deficit of \$916,946 in net position. The City's expenditures for the fund exceeded the grant money and other revenues received for the year. The City will closely monitor this fund to assure that money is drawn from the grant to cover all expenditures.

III. Detail Notes on All Funds:

A. Assets

1. Deposits

All the deposits of the City and the Burlington Downtown Corporation are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the City's and Burlington Downtown Corporation's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City and the Burlington Downtown Corporation, these deposits are considered to be held by the City's and the Burlington Downtown Corporation's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City, the Burlington Downtown Corporation, or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the City and the Burlington Downtown Corporation under the Pooling Method, the potential exists for under-collateralization. This risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The City has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The City complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The Burlington Downtown Corporation's deposits are all insured.

II. Detail Notes on All Funds: (continued)

At June 30, 2021, the City's deposits had a carrying amount of \$16,263,503 and a bank balance of \$17,185,850. Of the bank balance, \$750,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. The carrying amount of deposits for the Burlington Downtown Corporation was \$94,698 and the bank balance was \$212,129. All of the bank balance was covered by federal depository insurance. At June 30, 2021, the City's petty cash fund totaled \$5,030.

2. Investments

At June 30, 2021, the City's investments were as follows:

Investment Type	Valuation Measurement Method	Book Value at 6/30/2020	Maturity	Rating
US Treasuries	Fair Value Level 1	\$ 32,856,014	various	AAA
Government Agency:				
Federal Farm Credit Bank	Fair Value Level 1	12,123,128	various	AA+
Federal National Mortgage Assn	Fair Value Level 1	12,553,298	various	AA+
Federal Home Loan Bank	Fair Value Level 1	7,566,305	various	AA+
Freddie Mac	Fair Value Level 1	3,908,845	various	AA+
Commercial Paper:				
Commercial Paper - ING	Fair Value Level 1	5,496,767	6/26/2020	A-1
Commercial Paper – Exxon	Fair Value Level 1	999,920	9/18/2020	A-1
Commercial Paper – JP Morgan	Fair Value Level 1	1,998,794	various	A-1
Commercial Paper – Sal Army	Fair Value Level 1	6,494,227	various	A-1
Commercial Paper – TOYCC	Fair Value Level 1	1,998,801	11/19/2020	A-1
Commercial Paper – Toyota	Fair Value Level 1	3,497,274	12/29/2020	A-1
CD	Fair Value		various	A-1
NC capital Management Trust - Cash Portfolio	Fair Value Level 1	3,497,274	N/A	AAAm
Total:		\$ 89,493,372		

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

III. Detail Notes on All Funds: (continued)

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

Interest Rate Risk. The City has no formal investment policy regarding interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's internal investment policy limits at least half of the City's investment portfolio to maturities of less than 12 months. Also, the City's internal management policy requires purchases of securities to be ladderized with staggered maturity dates and limits all securities to a final maturity of no more than two years.

Credit Risk. The City has no formal policy regarding credit risk, but has internal management procedures that limits the City's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The investment in the Federal Home Loan Bank is rated AA+ by Standard and Poor's and AAA by Moody's Investors Service. The investment in the NC Capital Management Trust Cash Portfolio is rated AAA by Standard and Poor's and AAAm-mf by Moody's Investors Service as of June 30, 2021.

Custodial Credit Risk. For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no formal policy on custodial credit risk, but management procedures are that the City shall utilize a third-party custodial agent for book entry transactions, all of which shall be held in the City's name.

Concentration of Credit Risk The City's Board places no limit on the amount that the City may invest in any one issuer. Less than 26.8% percent of the City's investments are in Commercial Paper.

3. Receivables – Allowances for Doubtful Accounts

The amount of taxes receivable presented in the Balance Sheet and the Statement of Net Position includes penalties and interest levied and outstanding in the amount of \$35,997.

The amounts presented in Balance Sheet and the Statement of Net Position are net of the following allowances for doubtful accounts:

Fund	6/30/2021
General Fund:	
Taxes receivable	\$ 722,952
Solid Waste receivables	370,931
Special Revenue Funds	
Rehabilitation Loan Program Fund:	
Rehabilitation Loans	113,302
Home Incentive Loans	-
Rental Rehabilitation Loan Program Fund:	
Rehabilitation Loans	17,562
Downtown Special Tax District Fund:	
Taxes Receivable	45,287
Home Program Fund:	
Home Incentive Loans	320,324
Enterprise Fund:	
Water and Sewer Fund:	
Utility Receivables	67,194
Total	<u>\$ 1,657,552</u>

III. Detail Notes on All Funds: (continued)4. Capital Assets

Capital asset activity for the Primary Government for the year ended June 30, 2021, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 8,628,374	\$ -	\$ -	\$ 8,628,374
Construction in progress	8,967,171	6,966,378	12,198,459	3,735,090
Total capital assets not being depreciated	17,595,545	6,966,378	12,198,459	12,363,464
Capital assets being depreciated:				
Buildings	52,144,057	9,964,152	-	62,108,209
Streets and sidewalks	38,347,266	3,377,029	-	41,724,295
Equipment	13,211,762	977,168	148,304	14,040,626
Vehicles	22,323,706	1,204,263	793,729	22,734,240
Total capital assets being depreciated	126,026,791	15,522,612	942,033	140,607,370
Less accumulated depreciation for:				
Buildings	25,128,378	1,339,221	-	26,467,599
Streets and sidewalks	20,405,815	1,028,485	-	21,434,300
Equipment	9,899,511	1,152,057	82,208	10,969,360
Vehicles	13,164,507	1,495,947	774,730	13,885,724
Total accumulated depreciation	68,598,211	\$ 5,015,710	\$ 856,938	72,756,983
Total capital assets being depreciated, net	57,428,580			67,850,387
Governmental activity capital assets, net	<u>\$ 75,024,125</u>			<u>\$ 80,213,851</u>

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

General government	\$ 466,876
Public safety	1,468,190
Public works	2,156,035
Cultural and recreational	<u>924,609</u>
Total depreciation expense	<u>\$ 5,015,710</u>

IV. Detail Notes on All Funds: (continued)

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
<i>Public Transportation Fund</i>				
Capital assets being depreciated:				
Building	\$ 28,153	\$ -	\$ -	\$ 28,153
Infrastructure	42,440	1,276,352	-	1,318,792
General equipment	-	-	-	-
Vehicle	1,253,154	-	-	1,253,154
Total capital assets being depreciated	1,323,747	1,276,352	-	2,600,099
Less accumulated depreciation for:				
Building	5,749	1,408	-	7,157
Infrastructure	5,659	4,249	-	9,908
General equipment	-	-	-	-
Vehicle	1,037,741	189,871	-	1,227,612
Total accumulated depreciation	1,049,149	\$ 195,528	\$ -	1,244,677
Total capital assets being depreciated, net	-			-
	274,598			1,355,422
Public Transportation fund capital assets, net	\$ 274,598			\$ 1,355,422
<i>Storm Water Fund</i>				
Capital assets not being depreciated:				
Construction in progress	\$ 475,530	\$ -	\$ 475,530	\$ -
Total capital assets not being depreciated	475,530	-	475,530	-
Capital assets being depreciated:				
Building	173,394	65,876	-	239,270
Infrastructure	162,659	359,185	-	521,844
General equipment	230,561	-	-	230,561
Vehicle	311,219	-	-	311,219
Total capital assets being depreciated	877,833	425,061	-	1,302,894
Less accumulated depreciation for:				
Building	47,470	21,908	2,106	67,272
Infrastructure	22,214	1,080	-	23,294
General equipment	184,563	16,579	-	201,142
Vehicle	107,971	22,330	-	130,301
Total accumulated depreciation	362,218	\$ 61,897	\$ 2,106	422,009
Total capital assets being depreciated, net	515,615			880,885
Storm water fund capital assets, net	\$ 991,145			\$ 880,885

III. Detail Notes on All Funds: (continued)

	Beginning Balances	Increases	Decreases	Ending Balances
Water and Sewer Fund				
Capital assets not being depreciated:				
Land	\$ 6,945,444	\$ -	\$ -	\$ 6,945,444
Construction in progress	291,224	4,174,404	171,963	4,293,665
Total capital assets not being depreciated	7,236,668	4,174,404	171,963	11,239,109
Capital assets being depreciated:				
Water lines	57,248,500	-	-	57,248,500
Sewer lines	87,421,690	642,964	-	88,064,654
Buildings, plant, & pumping equipment				-
Water	55,376,155	444,767	-	55,820,922
Sewer	68,723,207	428,665	-	69,151,872
General equipment	4,324,883	449,583	-	4,774,466
Vehicles	3,771,263	-	270,413	3,500,850
Total capital assets being depreciated	276,865,698	1,965,979	270,413	278,561,264
Less accumulated depreciation for:				
Water and sewer lines	28,191,325	1,448,865	-	29,640,190
Water and sewer lines	29,972,502	1,770,835	-	31,743,337
Buildings, plant, & pumping equipment				-
Water	36,250,032	1,239,888	-	37,489,920
Sewer	45,994,934	1,515,419	-	47,510,353
General equipment	2,559,478	302,624	-	2,862,102
Vehicles	2,707,431	204,736	270,413	2,641,754
Total accumulated depreciation	145,675,702	\$ 6,482,367	\$ 270,413	151,887,656
Total capital assets being depreciated, net	131,189,996			126,673,608
Water and Sewer fund capital assets, net	138,426,664			137,912,717
Business-type activity				
capital assets, net	<u>\$ 139,662,409</u>			<u>\$ 140,149,024</u>

5. Construction Commitments

The government has active construction projects as of June 30, 2021. At year-end, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Front Street Greenway	499,989	265,986
City Park Carousel Renovations	3,009,350	4,069,314
Willowbrook Park Arboretum	869,906	254,625
JD Mack Wastewater Treatment Plant	2,980,861	253,359
AMI Replacement	361,497	3,638,504
Total	\$ 7,721,603	\$ 4,843,283

III. Detail Notes on All Funds: (continued)

B. Liabilities

1. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The City of Burlington is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and the State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454 at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. City of Burlington employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City of Burlington's contractually required contribution rate for the year ended June 30, 2021, was 10.84% of compensation for law enforcement officers and 10.22% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City of Burlington were \$3,412,594. The contributions come from the City's General Fund and the City's Water Resources Enterprise Fund.

III. Detail Notes on All Funds: (continued)

Refunds of Contributions – City employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service must include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

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

At June 30, 2021, the City reported a liability of \$17,579,827 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020, the City's proportion was 0.492%, which was a decrease of 0.003% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized pension expense of \$5,955,755. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,220,024	\$ -
Changes of assumptions	1,308,284	-
Net difference between projected and actual earnings on pension plan investments	2,473,889	-
Changes in proportion and differences between contributions and proportionate share of contributions	7,272	229,781
City contributions subsequent to the measurement date	3,412,594	
Total	<u>\$ 9,422,063</u>	<u>\$ 229,781</u>

\$3,412,593 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2022	\$1,622,274
2023	2,178,608
2024	1,246,661
2025	732,145
2026	-
Thereafter	-

III. Detail Notes on All Funds: (continued)

Actuarial Assumptions. The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns, and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on

III. Detail Notes on All Funds: (continued)

pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the City's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability (asset)	\$ 35,667,553	\$ 17,579,827	\$2,547,654

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report for the State of North Carolina.

b. Law Enforcement Officers Special Separation Allowance

1. *Plan Description.*

The City of Burlington administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time law enforcement officers of the City are covered by the Separation Allowance. At December 31, 2019, the valuation date, the Separation Allowance's membership consisted of:

Retirees receiving benefits	28
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	<u>140</u>
Total	<u>168</u>

2. *Summary of Significant Accounting Policies.*

Basis of Accounting. The City has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statements 73.:

III. Detail Notes on All Funds: (continued)

3. *Actuarial Assumptions.*

The entry age actuarial cost method was used in the December 31, 2019 valuation. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases factor	3.50 to 7.75 percent, including inflation and productivity
Discount rate	1.93 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2019.

Mortality rates are based on the RP-2014 Mortality tables with adjustments for mortality improvements based on Scale AA.

4. *Contributions.*

The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The City paid \$544,697 as benefits came due for the reporting period.

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

At June 30, 2021, the City reported a total pension liability of \$8,554,267. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation date. The total pension liability was then rolled forward to the measurement date of December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the City recognized pension expense of \$976,652.

	Outflows of Resources	Inflows of Resources
Differences between expected and actual experience	\$ 369,683	\$ -
Changes of assumptions	1,925,348	127,034
Benefit payments and plan administrative expense made subsequent to the measurement date	269,103	-
Total	<u>\$ 2,564,134</u>	<u>\$ 127,034</u>

III. Detail Notes on All Funds: (continued)

\$269,103 paid as benefits came due subsequent to the measurement date have been reported as deferred outflows of resources. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Deferred Outflows of Resources (b)	Deferred Inflows of Resources (b)
2022	\$565,849	\$59,606
2023	\$534,158	\$40,618
2024	\$456,018	\$26,810
2025	\$412,865	\$0
2026	\$326,141	\$0
Thereafter	\$0	\$0

\$269,103 paid as benefits came due and \$406 of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

Sensitivity of the City's total pension liability to changes in the discount rate. The following presents the City's total pension liability calculated using the discount rate of 1.93 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	1% Decrease (0.93%)	Current Discount Rate (1.93%)	1% Increase (2.93%)
Total Pension Liability	\$ 9,303,823	\$ 8,554,267	\$ 7,871,675

Schedule of Changes in Total Pension Liability Law Enforcement Officers' Special Separation Allowance

	2021
Beginning balance as of December 31, 2019	\$ 6,548,509
Service cost	269,230
Interest on the total pension liability	203,618
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	85,273
Changes of assumptions or other inputs	2,052,763
Benefit payments	(605,126)
Other changes	-
Net changes	\$ 2,005,758
Ending balance of the total pension liability as of December 31, 2020	\$ 8,554,267

The plan currently uses mortality tables that vary by age, and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

III. Detail Notes on All Funds: (continued)

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Total Expense, Liabilities, and Deferred Outflows and Inflows of Resources of Related to Pensions

Following is information related to the proportionate share and pension expense for all pension plans:

	LGERS	LEOSSA	Total
Pension Expense	\$ 5,955,755	\$ 976,652	\$ 6,932,407
Pension Liability	17,579,827	8,554,267	26,134,094
Proportionate share of the net pension liability	0.492%	n/a	
Deferred of Outflows of Resources			
Differences between expected and actual experience	2,220,024	369,683	2,589,707
Changes of assumptions	1,308,284	1,925,348	3,233,632
Net difference between projected and actual earnings on plan investments	2,473,889	-	2,473,889
Changes in proportion and differences between contributions and proportionate share of contributions	7,272	-	7,272
Benefit payments and administrative costs paid subsequent to the measurement date	3,412,594	269,103	3,681,697
Deferred of Inflows of Resources			
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	127,034	127,034
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	229,781	-	229,781

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The City contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410 or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. The law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2021 were \$772,900 which consisted of \$406,449 from the City and \$366,451 from the law enforcement officers. The City has elected to contribute to the Supplemental Retirement Income Plan for general employees as well as for law enforcement officers. Contributions for the year ended June 30, 2021 for general employees were \$2,120,443, which consisted of \$1,218,946 from the City and \$901,497 from the general employees.

III. Detail Notes on All Funds: (continued)

d. Firefighter's and Rescue Squad Workers' Pension Fund

Plan Description. The State of North Carolina contributes, on behalf of the City of Burlington, to the Firefighter's and Rescue Squad Workers' Pension Fund (FRSWPF), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. The FRSWPF provides pension benefits for eligible fire and rescue squad workers that have elected to become members of the fund. Article 86 of G.S. Chapter 58 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Firefighter's and Rescue Squad Workers' Pension Fund is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for the Firefighter's and Rescue Squad Workers' Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454 or at www.osc.nc.gov.

Benefits Provided. FRSWPF provides retirement and survivor benefits. The present retirement benefit is \$170 per month. Plan members are eligible to receive the monthly benefit at age 55 with 20 years of creditable service as a firefighter or rescue squad worker and have terminated duties as a firefighter or rescue squad worker. Eligible beneficiaries of members who die before beginning to receive the benefits will receive the amount paid by the member and contributions paid on the member's behalf into the plan. Eligible beneficiaries of members who die after beginning to receive benefits will be paid the amount the member contributed minus the benefits collected.

Contributions. Plan members are required to contribute \$10 per month to the plan. The State, a non-employer contributor, funds the plan through appropriations. The City does not contribute to the plan. Contribution provisions are established by General Statute 58-86 and may be amended only by the North Carolina General Assembly. For the fiscal year ending June 30, 2021, the state contributed \$18,652,000 to the plan. The City of Burlington's proportionate share of the State's contribution is \$37,095.

Refunds of Contributions – Plan members who are no longer eligible or choose not to participate in the plan may file an application for a refund of their contributions. Refunds include the member's contributions and contributions paid by others on the member's behalf. No interest will be paid on the amount of the refund. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by FRSWPF.

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

At June 30, 2021, the City reported no liability for its proportionate share of the net pension liability, as the State provides 100% pension support to the City through its appropriations to the FRSWPF. The total portion of the net pension liability that was associated with the City and supported by the State was \$92,669. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. As the City is not projected to make any future contributions to the plan, its proportionate share at June 30, 2021 and at June 30, 2020 was 0%.

For the year ended June 30, 2021, the City recognized pension expense of \$37,095 and revenue of \$37,095 for support provided by the State. At June 30, 2021, the City reported no deferred outflows of resources and no deferred inflows of resources related to pensions.

III. Detail Notes on All Funds: (continued)

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	Not applicable
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

For more information regarding actuarial assumptions, including mortality tables, the actuarial experience study, the consideration of future ad hoc COLA amounts, the development of the projected long-term investment returns, and the asset allocation policy, refer to the discussion of actuarial assumptions for the LGERS plan in Section a. of this note.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the 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.

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report for the State of North Carolina.

e. Other Post employment Benefits

1. Healthcare Benefits

In addition to the pension benefits described in Note 1, the City provides post-employment health care benefits as a single employer defined benefit plan to retirees who were hired prior to July 1, 2011 and City Council members of the City, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least five years of creditable service with the City. The City Council has the authority to establish and amend the benefit terms and financing requirements. The City pays the full cost of coverage for employees who retire with 25 or more years of creditable service; 75% of the cost of coverage for retirees with 20 – 24 years of creditable service; 50% of the cost of coverage for retirees with 15-19 years of creditable service; and 25% of the cost of coverage for retirees with 10-14 years of creditable service. The City pays the full cost of coverage for City Council members with 16 or more years of service; 75% of the cost for City Council members with 12-15 years of service; 50% of the cost of coverage for City Council members with 8-11 years of service; and 25% of the cost of coverage for City Council members with 4-7 years of service. The City's contribution will cease when the retiree reaches age 65. At this point in time, some City retirees are eligible for Medicare supplement reimbursement. The retiree must have been covered under the City's health plan immediately before reaching age 65. The Medicare supplement reimbursement is also based on years of service. The City pays up to \$159 per month of the Medicare supplement for employees who retire with 25 or more years of creditable service; up to 75% of this amount of Medicare supplement for employees who retire with 20-24 years of creditable service, up to 50% of this amount of the Medicare supplement for employees who retire with 15-19 years of creditable service; and up to 25% of this amount of the Medicare supplement for employees who retire with 10-14 years of creditable service. Also, the City's retirees can purchase coverage for their dependents at the City's group rates. Currently, 117 retirees are eligible for post-employment health benefits. For the fiscal year ended June 30, 2021, the city made payments for post-employment health benefit premiums of \$1,101,383. The City obtains healthcare coverage through private insurers. The City funds the expenditures on a pay as you go basis with monies from the General Fund and the Water Resources Fund.

III. Detail Notes on All Funds: (continued)

Retired Employees' Years of Creditable Service	Date Hired	
	Pre-July 1, 2011	On or after July 1, 2011
Less than 10 years	Not eligible for coverage	Not eligible for coverage
10 - 14 years	25% coverage paid for by City	Not eligible for coverage
15 - 19 years	50% coverage paid for by City	Not eligible for coverage
20 - 24 years	75% coverage paid for by City	Not eligible for coverage
25+ years	Full coverage paid for by City	Not eligible for coverage

The City also provides dental coverage to retirees of the City. The City will pay 100% of the dental premium for employees who retire with 25 or more years of service, 75% for employees who retire with 20-24 years of service, 50% for employees who retire with 15 – 19 years of service, and 25% for employees with 10-14 years of service. When a retired employee reaches age 65, the employee is responsible for 100% of the cost of the premium for dental coverage. The dental coverage ceases at age 70.

Membership of the Plan consisted of the following at June 30, 2020, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Inactive retirees and dependents receiving benefits	158	-
Active plan members	282	50
Total	440	50

Total OPEB Liability

The City's total OPEB liability of \$33,954,963 was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.5 %
Salary increases	3.5 – 7.75%, average, including inflation
Discount rate	2.21 %
Healthcare cost trend rates	7.00% decreasing to an ultimate rate of 4.75% by 2028

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of the measurement date.

III. Detail Notes on All Funds: (continued)**Changes in the Total OPEB Liability**

	Total OPEB Liability
Balance at July 1, 2020	\$ 29,480,120
Changes for the year	
Service cost	807,042
Interest	1,025,768
Changes of benefit terms	-
Differences between expected and actual experience	226,904
Changes in assumptions or other inputs	4,391,134
Benefit payments	(1,976,005)
Other	-
Net changes	4,474,843
Balance at June 30, 2021	\$ 33,954,963

Changes in assumptions and other inputs reflect a change in the discount rate from 3.89% to 2.21%.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale RP-2015.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 2010 through December 2014.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	\$ 37,796,988	\$ 33,954,963	\$ 30,628,340

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

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	\$ 31,164,772	\$ 33,954,963	\$ 37,186,280

III. Detail Notes on All Funds: (continued)

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

For the year ended June 30, 2021, the City recognized OPEB expense of \$2,650,160. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 883,620	\$ 357,945
Changes of assumptions	4,473,900	854,431
Benefit payments and administrative costs made subsequent to the measurement date	1,621,736	
Total	<u>\$ 6,979,256</u>	<u>\$ 942,376</u>

\$1,621,736 reported as deferred outflows are contributions made after the measurement date of the net pension liability but before the end of the City's reporting period will be recognized as a reduction of the net pension liability in the total pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2022	\$ 817,350
2023	817,350
2024	974,617
2025	1,049,110
2026	756,718
Thereafter	-

2. Other Employment Benefit

The City has also elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Benefit Plan and not by the City and the City does not determine the number of eligible participants. The City has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The City considers these contributions to be immaterial.

The Local Government Employees Retirement System provides group-term life insurance to City employees ranging from \$25,000 up to \$50,000 depending on their salary. The City also

III. Detail Notes on All Funds: (continued)

provides group-term life insurance equal to one and a half times the employee's salary up to a maximum of \$150,000. Any amount of the two coverages combined that exceeds \$50,000 is taxed as an employee fringe benefit and included on the employee's annual W-2.

3. Deferred Outflows and Inflows of Resources

Deferred outflows of resources reported on the Statement of Net Position are comprised of the following:

Source	Amount
Contributions to pension plan in current fiscal year	\$ 3,412,594
Benefit payments and administrative expenses for LEOSA made subsequent to measurement date	269,103
Benefit payments and administrative expenses for OPEB made subsequent to measurement date	1,621,736
Differences between expected and actual experience	3,473,327
Changes of assumptions	7,707,533
Net difference between projected and actual earnings on pension plan investments	2,473,889

Deferred inflows of resources at year-end is comprised of the following:

	Statement of Net Position	General Fund Balance Sheet
Deferred Gain on refunding	\$ 188,266	\$ -
Taxes Receivable, less penalties (General Fund)		873,822
Changes in assumptions	711,465	-
Differences between expected and actual experience	357,945	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	229,781	-
Total	<u>\$ 1,487,457</u>	<u>\$ 873,822</u>

III. Detail Notes on All Funds: (continued)

4. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City partially self-insures workers compensation coverage, with commercial insurance providing coverage for workers compensation claims in excess of \$850,000 per claim occurrence. The commercial insurance provides \$1,000,000 in coverage for claims in excess of the City's assumed aggregate risk of \$2,755,821 annually. At June 30, 2021 the Workers Compensation Self Insurance Fund had recorded a liability of \$113,258 for estimated unpaid claims.

The City provides its employees with dental coverage through a choice of self-insurance plans. Covered claims are limited to a maximum of \$2,000 per employee annually. At June 30, 2021, the Dental Self Insurance Fund had recorded a liability of \$66,457 for estimated unpaid claims.

On July 1, 1999, the City began to partially self-insure group health benefits, with commercial insurance providing coverage for health benefit claims in excess of \$125,000 per claim. The commercial coverage provides unlimited reimbursement in coverage for claims in excess of the City's assumed claim risk of \$125,000 per member. The City also has commercial coverage for claims exceeding approximately \$8,271,031 in aggregate annually. At June 30, 2021 the Group Health Benefits Fund had a recorded liability of \$833,658 for estimated unpaid claims.

The City carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years. The City has obtained flood insurance coverage through Travelers Property Casualty Company of America; the City has purchased coverage of \$1,000,000 per occurrence.

In accordance with G.S. 159-29, the City's employees that have access to \$100 or more at any given time of the City's funds are performance bonded through a commercial surety bond. The finance officer is individually bonded for \$100,000 and the tax collector is bonded for \$100,000. The remaining employees that have access to funds are bonded under a blanket bond for \$50,000.

The Burlington Downtown Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Burlington Downtown Corporation has property and general liability. Claims have not exceeded coverage in any of the past three fiscal years and there has been no significant reduction in insurance coverage in the prior year.

5. Claims, Judgments, and Contingent Liabilities

At June 30, 2021, the City was a defendant to various lawsuits. In the opinion of the City's management and the City attorney, the ultimate effect of these legal matters will not have a material adverse effect on the City's financial position.

6. Long-Term Obligations

a. Installment Purchase

On August 22, 2018 the City entered into a direct placement installment purchase contract to purchase various pieces of equipment. The financing contract requires three annual payments of \$736,900 beginning August 22, 2018 with interest of 2.62%. On July 18, 2019 the City entered into a direct placement installment purchase contract to purchase various pieces of equipment. The property is pledged as collateral for the debt while the debt is outstanding. The financing contract requires three annual payments of \$646,564 beginning July 18, 2019 with interest of 2.09%. On August 25, 2020 the City entered into a direct placement installment purchase contract to purchase various pieces of equipment and complete renovation projects in the City. The property is pledged as collateral for the debt while the debt is outstanding. The

III. Detail Notes on All Funds: (continued)

financing contract requires 14 annual payments in varying amounts from \$497,094 to \$1,178,292 beginning September 1, 2021 with interest of 1.85%.

Annual debt service payments of the installment purchases as of June 30, 2021, including \$1,171,806 of interest, are as follows:

Governmental Activities		
Year Ending June 30	Principal	Interest
2022	\$1,811,626	\$176,378
2023	1,178,292	141,349
2024	497,094	119,551
2025	497,094	110,355
2026	497,094	101,159
2027-2031	2,485,470	367,849
2032-2036	2,485,465	137,943
Present value of the minimim lease payments	<u>\$9,452,135</u>	
Total interest payments		<u>\$1,154,584</u>

b. General Obligation Indebtedness

The City's general obligation bonds serviced by the governmental funds were issued for the acquisition of public safety equipment. Those general obligation bonds issued to finance the construction of facilities utilized in the operations of the water and sewer system and which are being retired by its resources are reported as long-term debt in the Water and Sewer Fund. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the City. In the event of a default, the City agrees to pay to the purchaser, on demand, interest on any and all amounts due and owing by the City under the related agreements. Principal and interest requirements are appropriated when due.

Bonds payable at June 30, 2021 are comprised of the following individual issues:

General Obligation Bonds

Serviced by the General Fund:

\$5,321,000 of direct placement 2013 refinanced General Obligation Bonds due in annual installments ranging from \$74,000 to \$543,000 through June 1, 2026; interest at 1.85% annum. \$ 2,897,000

Serviced by the Water and Sewer Fund:

There is no General Obligation debt serviced by Water and Sewer Fund as of June 30, 2021. -

\$ 2,897,000

At June 30, 2021 the City of Burlington had a legal debt margin of \$ 410,764,835.

III. Detail Notes on All Funds: (continued)

General Obligation Bonds

Annual debt service requirements to maturity for long-term obligations are as follows:

<u>Year Ending June 30</u>	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2022	498,000	44,197	-	-
2023	488,000	34,984	-	-
2024	478,000	25,956	-	-
2025	468,000	17,113	-	-
2026	457,000	8,455	-	-
Totals	\$ 2,389,000	\$ 130,705	\$ -	\$ -

c. Revenue Bonds

\$11,871,000 of direct placement Combined Enterprise System Revenue bonds, Series 2021A

Interest is payable semiannually on February 1st and August 1st at a fixed rate

of 1.33%. Principal amounts will be due on February 1st

beginning in 2022 and maturing in 2036.

\$ 11,871,000

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,303,000	\$ 150,429
2023	1,270,000	140,554
2024	1,255,000	123,663
2025	627,000	106,972
2026	633,000	98,633
2027-2031	3,288,000	364,673
2032-2036	3,495,000	140,488
	<u>\$ 11,871,000</u>	<u>\$ 1,125,412</u>

On February 18, 2021, the City issued Combined Enterprise System Revenue Bond Series 2021A to finance the cost of currently refunding the City's outstanding Combined Enterprise System Revenue Bonds, Series 2010A&B, dated as of December 29, 2010 and pay the costs of issuance associated with the transaction. A portion of the proceeds from Series 2010A&B refunding resulted in interest savings of \$2,893,736 over the next 16 years resulting in an economic gain (difference between the present values of debt service payments on the old and new debt) of \$2,627,420. At June 30, 2021 the City carried total deferred outflows of resources related to the difference between the reacquisition price of refunding debt and the net carrying value of refunded debt in the amount of \$2,893,736. This amount will be amortized as a component of interest expense in future years.

\$13,753,000 of direct placement Combined Enterprise System Taxable Revenue bonds, Series 2021B

Interest is payable semiannually on February 1st and August 1st at a fixed rate

of 1.73%. Principal amounts will be due on February 1st

beginning in 2022 and maturing in 2036.

\$ 13,753,000

II. Detail Notes on All Funds: (continued)

The future payments of the revenue bonds are as follows:

Year ending June 30	Principal	Interest
2022	\$ 153,000	\$ 206,864
2023	819,000	235,280
2024	830,000	221,111
2025	845,000	206,752
2026	857,000	192,134
2027-2031	4,464,000	734,195
2032-2037	5,785,000	354,529
	<u>\$ 13,753,000</u>	<u>\$ 2,150,865</u>

On March 18, 2021, the City issued Combined Taxable/Tax-Exempt Cinderella Financing Enterprise System Revenue Bond Series 2021B to finance the cost of currently refunding the City's outstanding Combined Enterprise System Revenue Bonds, Series 2011, dated as of October 1, 2011, and pay the costs of issuance associated with the transaction. A portion of the proceeds from Series 2011 refunding resulted in interest savings of \$2,800,097 over the next 16 years resulting in an economic gain (difference between the present values of debt service payments on the old and new debt) of \$2,436,602. At June 30, 2021 the City carried total deferred outflows of resources related to the difference between the reacquisition price of refunding debt and the net carrying value of refunded debt in the amount of \$2,800,097. This amount will be amortized as a component of interest expense in future years.

\$18,370,000 of direct placement Combined Enterprise System Revenue bonds, Series 2011

Interest is payable semiannually on February 1st and August 1st at a fixed rate

ranging from 3.0% to 5.0%. Principal amounts will be due on February 1st

beginning in 2012 and maturing in 2037.

\$ 625,000

Year Ending June 30	Principal	Interest
2022	\$ 625,000.00	\$ 25,000.00
	<u>\$ 625,000.00</u>	<u>\$ 25,000.00</u>

The City has been in compliance with the covenants as to rates, fees, rentals and charges in Section 704 of the Bond Order, authorizing the issuance of the Water and Sewer Bonds, Series 2011, 2021A and 2021B since its adoption. The City has pledged future water and sewer customer revenues, net of specified operating expenses, for repayment of \$26,249,000 in water and sewer system revenue bonds issue 2011, 2021A and 2021B. Proceeds from the bonds provided financing for various upgrades and repairs to the city's dams, water and sewer plants. The bonds are payable solely from water and sewer customer net revenues and are payable through 2037. The total principal and interest remaining to be paid on all outstanding series of revenue bonds was \$29,550,277 as of June 30, 2021. Certain financial covenants are combined in the revenue bond order, including a covenant to budget and collect revenues in the combined enterprise system sufficient enough to pay the principal and interest requirements and maintain unrestricted net position at a level that provides that 15% of unrestricted net position on the last day of the fiscal year added to Income Available for Debt Service will not be less than 120% of the long-term debt service requirement for parity indebtedness for such fiscal year.

III. Detail Notes on All Funds: (continued)

Pledged unrestricted net position at June 30, 2021 were \$7,131,710 to provide a coverage ratio of 619%. The long-term debt service coverage ratio calculation for the year ended June 30, 2021, is as follows:

Operating revenues	\$ 31,469,637
Operating expenses*	19,931,527
Operating income	11,538,110
Nonoperating revenues (expenses)**	754,672
Income available for debt service	12,292,782
Debt service, principal and interest paid	
(Revenue bond only)	\$ 3,136,039
Debt service coverage ratio	392%

*Per rate covenants, this does not include the depreciation expense of \$6,482,367

** Per rate covenants, this does not include revenue bond interest paid of \$1,401,039

The City also has \$0 of System GO Indebtedness outstanding that is associated with the bonds.

Changes in Long-Term Liabilities

	Restated Balance <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2021</u>	Current Portion of Balance
Governmental activities:					
General Obligation bonds	\$ 2,897,000	\$ -	\$ 508,000	\$ 2,389,000	\$ 498,000
Add: Bond premium	-	-	-	-	
Total General Obligation bonds	<u>\$ 2,897,000</u>	<u>\$ -</u>	<u>\$ 508,000</u>	<u>\$ 2,389,000</u>	<u>\$ 498,000</u>
Installment purchase	\$ 1,971,795	\$ 9,500,000	\$ 2,019,660	\$ 9,452,135	\$ 1,811,626
Compensated absences	2,812,555	2,163,504	1,775,567	3,200,492	800,123
Net pension liability (LGERS)	11,456,276	3,433,837		14,890,113	
Total pension liability (LEO)	6,548,509	2,005,758	-	8,554,267	
OPEB liability-General Fund	24,969,660	3,790,193		28,759,853	
Governmental activity long-term liabilities	<u>\$ 50,655,795</u>	<u>\$ 20,893,292</u>	<u>\$ 4,303,227</u>	<u>\$ 67,245,860</u>	<u>\$ 3,109,749</u>
Business-type activities:					
General obligation bonds	\$ -	-	\$ -	\$ -	\$ -
Revenue Bonds	\$ 27,180,000	25,624,000	\$ 26,555,000	\$ 26,249,000	\$ 2,081,000
Add: Bond premium	653,715	-	653,715	-	
Total Revenue Bonds	<u>\$ 27,833,715</u>	<u>\$ 25,624,000</u>	<u>\$ 27,208,715</u>	<u>\$ 26,249,000</u>	<u>\$ 2,081,000</u>
Compensated absences	321,313	317,543	277,976	360,880	90,219
Net pension liability (LGERS)	2,069,434	620,280	-	2,689,714	
OPEB liability	4,510,459	684,651	-	5,195,110	
Business-type activity long-term liabilities	<u>\$ 34,734,921</u>	<u>\$ 27,246,474</u>	<u>\$ 27,486,691</u>	<u>\$ 34,494,704</u>	<u>\$ 2,171,219</u>

Compensated absences for governmental activities have typically been liquidated in the General Fund.

III. Detail Notes on All Funds: (continued)

C. Interfund Balances and Activity

Due to/Due From between the Governmental and Proprietary funds is due to the internal service fund being blended into the Governmental fund of \$1,555,628.

Transfers to/from other funds at June 30, 2021 consist of the following:

From Fund	To Fund	Amount	Total
General Fund Transfers			
General Fund	Group Health Benefits	\$ (447,934)	
General Fund	MPO Planning Transportation	(58,693)	
General Fund	Worker's Compensation	(565,768)	
Subtotal			(1,072,395)
Dentzel Carousel Restoration	Capital Reserve	1,211,100	
Animal Shelter	General Fund	353	
North Park Pool	General Fund	138,598	
Subtotal			1,350,051
NonMajor Governmental Fund Transfers			
General Fund	MPO Planning Transportation	58,693	
Rehabilitation Loan Program	Community Development	236,494	
Subtotal			295,187
Rehabilitation Loan Program	Community Development	(236,494)	
Dentzel Carousel Restoration	Capital Reserve	(1,211,100)	
Animal Shelter	General Fund	(353)	
North Park Pool	General Fund	(138,598)	
Trans Sidewalks & Intersection Impr	Transit Capital	(2,490,800)	
Subtotal			(4,077,345)
Enterprise Fund Transfers			
Water Resources	Worker's Compensation	(380,502)	
Water Resources	Group Health Benefits	(161,424)	
Subtotal			(541,926)
NonMajor Enterprise Fund Transfers			
Trans Sidewalks & Intersection Impr	Transit Capital	2,490,800	
Subtotal			2,490,800
Internal Service Fund Transfers			
General Fund	Internal Service Funds	1,013,702	
Water Resources	Internal Service Funds	541,926	
Subtotal			1,555,628
Grand Total		\$ -	\$ -

Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts providing matching funds for various grant programs.

III. Detail Notes on All Funds: (continued)

D. On-Behalf Payments for Fringe Benefits and Salaries

The City has recognized as a revenue and an expenditure on-behalf payments for fringe benefits and salaries of \$37,095 for the salary supplement and stipend benefits paid to eligible firefighters by the local board of trustees of the Firefighter's Relief Fund during the fiscal year ended June 30, 2021. Under State law the local board of trustees for the Fund receives an amount each year, which the board may use at its own discretion for eligible firefighter or their departments.

E. Prior Period Adjustment

There were no prior period adjustments.

F. Net Investment in Capital Assets

The table below shows the net investment in capital assets.

	6/30/2020		6/30/2021	
	<u>Governmental</u>	<u>Business-type</u>	<u>Governmental</u>	<u>Business-type</u>
Capital Assets	\$75,024,125	\$139,692,405	\$80,213,851	\$140,149,024
Less: Long-term debt	4,868,795	27,833,715	11,841,135	26,249,000
Deferred gain on refunding	92,239	45,470	76,865	111,400
Add: unexpended debt proceeds	-	-	-	-
Net investments in Capital Assets	<u>\$70,063,091</u>	<u>\$111,813,220</u>	<u>\$68,295,851</u>	<u>\$113,788,624</u>

G. Fund Balance

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation:

Total fund balance – General Fund	\$	41,462,567
Less:		
Stabilization by State Statute		7,005,698
Historic Books		1,418
Animal Shelter		46,802
Daphnes Garden		25,739
PEG Support		16,482
Capital Reserve Fund		5,308,554
Appropriated Fund Balance in 2022 budget		1,636,986
General Government		4,234,000
Economic Development		3,000,000
Public Works		4,172,300
Parks and Recreation		2,415,897
Public Safety:		
Police		3,920,551
Fire		1,200,000
Disaster Management		500,000
Working Capital/Fund Balance Policy		7,978,140
Remaining Fund Balance		-

III. Detail Notes on All Funds: (continued)

IV. Jointly Governed Organization

The City, in conjunction with six counties and thirty-two other municipalities, established the Piedmont Triad Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The City paid membership fees of \$11,261 to the Council during the fiscal year ended June 30, 2021.

V. Joint Ventures

The City, in conjunction with the City of Graham, participates in the Burlington-Graham Board of Alcoholic Control. Each participating government appoints two members to the five-member board. The two governments jointly appoint one member to the Board. The ABC Board is a joint venture established to facilitate control over alcoholic beverages within the two cities. The City of Burlington and the City of Graham are legally obligated under the intergovernmental agreement that created the ABC Board to honor any deficiencies in the event that proceeds from other default remedies are insufficient. The two cities were not required to contribute to the ABC Board during the fiscal year ended June 30, 2021. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2021. Complete financial statements for the ABC Board can be obtained from the administrative offices at 603 W. Harden Street, City of Graham, NC 27253.

VI. Related Organization

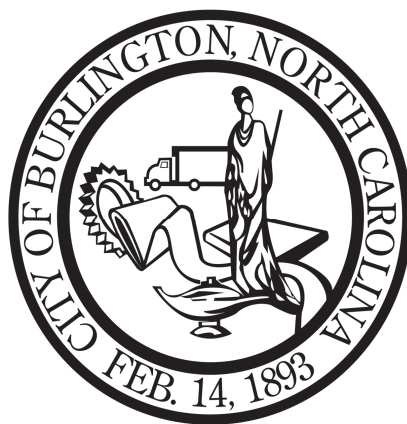
The members of the governing board of the Burlington Housing Authority are appointed by the City but the City has no authority in selecting the management of the Authority. The City is not responsible for financing any deficits of the Authority nor is it entitled to any surpluses. The Authority does operate within the geographical boundaries of the City and is for the benefit of the residents of the City. The City exercises no financial or budgetary control over the Authority.

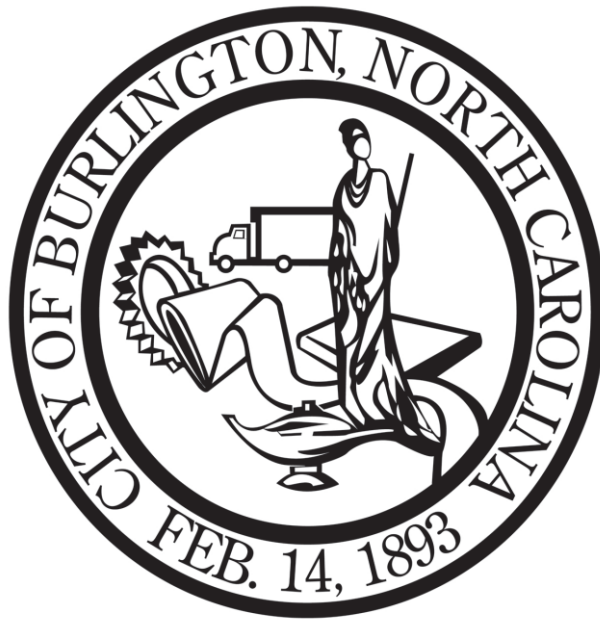
VII. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The City has received proceeds from federal and State grants. Periodic audits of these grants are required, and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

See independent auditor's report.





**REQUIRED SUPPLEMENTAL
FINANCIAL DATA**

REQUIRED
SUPPLEMENTAL FINANCIAL DATA

This section contains additional information required by generally accepted accounting principles.

- Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance.
- Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance.
- Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance.
- Schedule of Funding Progress for the Other Postemployment Benefits.
- Schedule of Employer Contributions for the Other Postemployment Benefits.
- Notes to the Required Schedules for the Other Postemployment Benefits.
- Schedule of Proportionate Share of Net Pension Asset for Local Government Employees' Retirement System
- Schedule of Contributions to Local Government Employees' Retirement System
- Schedule of Proportions Share of Net Pension Liability for Firefighters' and Rescue Squad Workers' Pension Plan

City of Burlington, North Carolina
City of Burlington's Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Eight Fiscal Years *

Local Government Employees' Retirement System								
	2021	2020	2019	2018	2017	2016	2015	2014
Burlington's proportion of the net pension liability (asset) (%)	0.49196%	0.49528%	0.50668%	0.49740%	0.48874%	0.49890%	0.49830%	0.50280%
Burlington's proportion of the net pension liability (asset) (\$)	\$ 17,579,827	\$ 13,525,710	\$ 12,020,182	\$ 7,598,894	\$ 10,372,700	\$ 2,239,168	\$ (2,938,645)	\$ 6,060,671
Burlington's covered payroll	\$ 32,724,665	\$ 32,267,100	\$ 31,445,856	\$ 30,144,885	\$ 29,241,727	\$ 27,673,809	\$ 26,647,845	\$ 25,946,545
Burlington's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	53.72%	41.92%	38.23%	25.21%	35.47%	8.09%	(11.03%)	23.36%
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	94.18%	91.47%	98.09%	99.07%	102.64%	94.35%	96.45%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

** This will be the same percentage for all participant employers in the LGERS plan.

The pension schedule is intended to show information for 10 years, information for additional years will be displayed as it becomes available.

City of Burlington, North Carolina
City of Burlington's Contributions
Required Supplementary Information
Last Eight Fiscal Years

Local Government Employees' Retirement System

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 5,955,755	\$ 5,962,035	\$ 3,287,269	\$ 2,507,225	\$ 2,715,090	\$ 2,010,823	\$ 1,981,518	\$ 1,898,880
Contributions in relation to the contractually required contribution	5,955,755	5,962,035	3,287,269	2,507,225	2,715,090	2,010,823	1,981,518	1,898,880
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Burlington's covered payroll	\$ 32,897,918	\$ 32,724,665	\$ 32,267,100	\$ 31,445,856	\$ 30,144,885	\$ 29,241,727	\$ 27,673,809	\$ 26,647,845
Contributions as a percentage of covered payroll	18.10%	18.22%	10.19%	7.97%	9.01%	6.88%	7.16%	7.13%

The pension schedule is intended to show information for 10 years, information for additional years will be displayed as it becomes available.

City of Burlington, North Carolina
City of Burlington's Proportionate Share of Net Pension Liability
Required Supplementary Information
Last Seven Fiscal Years *

Firefighters' and Rescue Squad Workers' Pension

	2021	2020	2019	2018	2017	2016	2015
Burlington's proportionate share of the net pension liability (%)	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Burlington's proportionate share of the net pension liability (\$)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with City of Burlington	37,095	50,134	35,630	25,009	25,658	6,948	21,722
Total	<u>\$ 37,095</u>	<u>\$ 50,134</u>	<u>\$ 35,630</u>	<u>\$ 25,009</u>	<u>\$ 25,658</u>	<u>\$ 6,948</u>	<u>\$ 21,722</u>
Burlington's covered payroll	\$ 5,669,824	\$ 5,435,248	\$ 5,413,757	\$ 5,161,203	\$ 5,031,523	\$ 4,687,076	\$ 4,206,632
Burlington's proportionate share of the net pension liability as a percentage of its covered payroll	0.65%	0.92%	0.66%	0.48%	0.51%	0.15%	0.52%
Plan fiduciary net position as a percentage of the total pension liability	89.69%	89.35%	84.94%	91.40%	93.42%	92.76%	91.45%

* The amounts presented are for the prior fiscal year.

The pension schedule is intended to show information for 10 years, information for additional years will be displayed as it becomes available.

City of Burlington, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
Last Five Fiscal Years *

	2021	2020	2019	2018	2017
Beginning balance	\$ 6,548,509	\$ 6,296,757	\$ 6,506,414	\$ 5,983,262	\$ 6,144,882
Service Cost	269,230	233,651	251,901	210,184	219,380
Interest on the total pension liability	203,618	217,476	196,833	221,492	211,136
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	85,273	259,188	126,532	242,810	-
Changes of assumptions or other inputs	2,052,763	185,708	(229,900)	338,897	(130,693)
Benefit payments	(605,126)	(644,271)	(555,023)	(490,231)	(461,443)
Other changes	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 8,554,267</u>	<u>\$ 6,548,509</u>	<u>\$ 6,296,757</u>	<u>\$ 6,506,414</u>	<u>\$ 5,983,262</u>

*The amounts presented for each fiscal year were determined as of the prior year ending December 31.

The pension schedule is intended to show information for 10 years, information for additional years will be displayed as it becomes available.

City of Burlington, North Carolina
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
Last Five Fiscal Years

	2021	2020	2019	2018	2017
Total pension liability	\$ 8,554,267	\$ 6,548,509	\$ 6,296,757	\$ 6,506,414	\$ 5,983,262
Covered payroll	8,933,166	8,610,280	8,299,065	7,999,099	7,709,975
Total pension liability as a percentage of covered payroll	95.76%	76.05%	75.87%	81.34%	77.60%

Notes to the schedules:

The City of Burlington has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

The pension schedule is intended to show information for 10 years, information for additional years will be displayed as it becomes available.

City of Burlington
Schedule of Changes in the Total OPEB Liability and Related Ratios
June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	807,042	741,450	822,063	896,725
Interest	1,025,768	1,044,089	976,349	857,596
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	226,904	704,757	(674,712)	612,719
Changes of assumptions	4,391,135	1,144,957	97,937	(1,692,359)
Benefit payments	(1,976,005)	(1,972,132)	(1,645,934)	(1,836,305)
Net change in total OPEB liability	<u>4,474,844</u>	<u>1,663,121</u>	<u>(424,297)</u>	<u>(1,161,624)</u>
Total OPEB liability - beginning	<u>29,480,119</u>	<u>27,816,998</u>	<u>28,241,295</u>	<u>29,402,919</u>
Total OPEB liability - ending	<u>33,954,963</u>	<u>29,480,119</u>	<u>27,816,998</u>	<u>28,241,295</u>
 Covered payroll	 15,518,821	 18,200,559	 18,200,559	 19,207,118
Total OPEB liability as a percentage of covered payroll	218.80%	161.97%	152.84%	147.04%

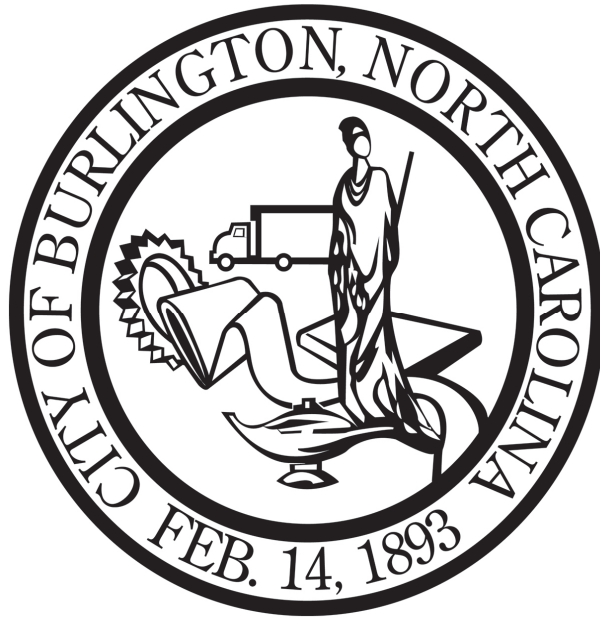
Notes to Schedule

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

<u>Fiscal year</u>	<u>Rate</u>
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

The pension schedule is intended to show information for 10 years, information for additional years will be displayed as it becomes available.





GENERAL FUND
Individual Fund Schedule

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
BALANCE SHEET
For The Fiscal Year Ended June 30, 2021

ASSETS

Cash and cash equivalents	\$ 33,954,851
Receivables (net):	
Taxes	874,701
Accounts	6,232,843
Prepaid expenses	<u>49,024</u>
Total Assets	<u><u>\$ 41,111,419</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES:	
Accounts payable and accrued liabilities	\$ 4,083,584
Deferred Revenue	<u>873,822</u>
Total Liabilities	<u>4,957,406</u>

FUND BALANCES:	
Restricted:	
Stabilization by State Statute	7,005,698
Historic Books	1,418
Animal Shelter	46,802
Daphnes Garden	25,739
PEG Support	16,482
Assigned:	
Subsequent Years Expenditures	1,636,986
General Government	4,234,000
Economic Development	3,000,000
Public Works	4,172,300
Parks and Recreation	2,415,897
Public Safety	5,620,551
Unassigned:	<u>7,978,140</u>
Total fund balances	<u>36,154,013</u>
Total Liabilities and fund balances	<u><u>\$ 41,111,419</u></u>

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Ad Valorem Taxes:			
Current year	\$ 29,359,175	\$ 30,884,303	\$ -
Prior year	410,040	756,938	
Penalties and interest	122,400	134,946	
Tax discounts	(91,800)	(152,298)	
Economic Dev Incentives	(65,775)	(65,774)	
Total	<u>29,734,040</u>	<u>31,558,115</u>	<u>1,824,075</u>
Other Taxes and Licenses:			
Payment in lieu of taxes	120,900	80,000	
Privilege licenses	2,000	1,868	
Cable TV franchise tax	330,000	317,638	
Local option sales tax	<u>12,604,728</u>	<u>16,353,638</u>	
Total	<u>13,057,628</u>	<u>16,753,144</u>	<u>3,695,516</u>
Unrestricted Intergovernmental Revenues:			
Utility franchise tax	4,000,000	3,842,867	
Beer and wine tax	220,000	226,148	
Alamance County fuel purchase	356,000	334,055	
ABC revenue	265,000	631,445	
Alamance Jr. Tennis Foundation	<u>20,000</u>	<u>8,363</u>	
Total	<u>4,861,000</u>	<u>5,042,878</u>	<u>181,878</u>
Restricted Intergovernmental Revenues:			
ABC police contract	72,000	153,549	
Powell Bill allocation	1,428,000	1,364,684	
NC Dept of Transportation	525,000	456,674	
On-behalf of Payments-	-	37,095	
Fire and rescue	-	-	
Camp Green Leaves	20,000	22,070	
PTCOG Grants	<u>34,765</u>	<u>8,786</u>	

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues (Continued):			
Restricted Intergovernmental			
Revenues (Continued):			
NC YMCA C-19 Grant	67,490	67,160	
Alam-Burl Schools-Aftersch Prog	385,000	385,000	
Alam-Burl Schools-School Guards	-	-	
Contributions-Fire	-	25	
Fire grants	-	-	
Animal Shelter	142,714	128,898	
Spay/Neuter Clinic	40,000	67,532	
Teen to Teen Theatre	1,000	401	
Junior Police Academy	11,500	2,350	
Recreation	35,000	6,666	
Senior Programs	60,000	53,513	
Reimbursed Cost	423,973	555,255	
Police Donations-Melvin Hall	4,891	4,893	
DOT Reimbursement	-	-	
N Park in Motion Prgm/Donat	1,000	357	
NCHFA Urgent Repair Grnt	100,000	50,000	
Donations - Miscellaneous	-	-	
Donations - Splash Pad Park	5,000	5,500	
Misc State Grants	115,994	100,394	
Federal Grant	-	-	
PEG Channel Support	54,054	52,901	
Total	<u>3,527,381</u>	<u>3,523,703</u>	<u>(3,678)</u>
Permits and Fees:			
Building permits & inspection fees	1,279,000	1,701,378	
Fees and permits - other	748,725	254,650	
Total	<u>2,027,725</u>	<u>1,956,028</u>	<u>(71,697)</u>
Sales and Services:			
Animal Control-Alam Co	629,128	629,128	
Miscellaneous	314,376	275,902	

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues (Continued):			
Sales and Services: (Continued)			
Recreation dept revenues	1,204,640	1,114,507	
Cemetery lots and fees	119,000	174,975	
Sanitation fees	1,508,000	1,727,625	
Total	<u>3,775,144</u>	<u>3,922,137</u>	<u>146,993</u>
Investment Earnings:			
Investment earnings	100,000	69,336	
Interest Subsidy	-	-	
Interest earned -street assess	-	6,501	
Total	<u>100,000</u>	<u>75,837</u>	<u>(24,163)</u>
Miscellaneous:			
Miscellaneous	186,000	358,500	
Total	<u>186,000</u>	<u>358,500</u>	<u>172,500</u>
Total Revenues	<u>57,268,918</u>	<u>63,190,342</u>	<u>5,921,424</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Expenditures:			
General Government:			
City Council:			
Salaries and employee benefits	95,191	93,403	
Operating expenditures	75,250	52,240	
Total	170,441	145,643	
Reimbursement from Water and Sewer Fund	(44,946)	(44,946)	
Total City Council	125,495	100,697	24,798
Public Administration:			
Salaries and employee benefits	740,022	725,904	
Operating expenditures	21,130	34,486	
Total	761,152	760,390	
Reimbursement from Water and Sewer Fund	(171,469)	(171,469)	
Total Public Administration	589,683	588,921	762
Public Information:			
Salaries and employee benefits	203,256	159,415	
Operating expenditures	119,599	79,223	
Capital Outlay	-	-	
Total	322,855	238,638	
Reimbursement from Water and Sewer Fund	(69,320)	(69,320)	
Total Public Information	253,535	169,318	84,217
PEG Support:			
Salaries and employee benefits	15,049	29,055	
Operating expenditures	34,070	7,450	
Capital Outlay	-	-	
Total	49,119	36,505	

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Expenditures (Continued):			
General Government (Continued):			
PEG Support (Continued):			
Reimbursement from Water and Sewer Fund	-	-	
Total PEG Support	49,119	36,505	12,614
Economic Development:			
Salaries and employee benefits	189,830	193,863	
Operating expenditures	58,500	29,498	
Total	248,330	223,361	
Reimbursement from Water and Sewer Fund	-	-	
Total Economic Development	248,330	223,361	24,969
Finance:			
Supervision:			
Salaries and employee benefits	560,621	528,472	
Operating expenditures	22,500	25,669	
Capital Outlay	-	-	
Total	583,121	554,141	
Reimbursement from Water and Sewer Fund	(321,966)	(321,966)	
Total Finance Supervision	261,155	232,175	28,980
Cust Serv/Collections:			
Salaries and employee benefits	409,824	361,790	
Operating expenditures	123,500	174,371	
Total	533,324	536,161	
Reimbursement from Water and Sewer Fund	(289,897)	(289,897)	
Total Finance Cust Serv/Collections	243,427	246,264	(2,837)

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Expenditures (Continued):			
General Government (Continued):			
Purchasing:			
Salaries and employee benefits	288,161	270,882	
Operating expenditures	18,260	8,204	
Capital Outlay	-	-	
Total Purchasing	306,421	279,086	
Total Finance	811,003	757,525	53,478
Information Technologies:			
Salaries and employee benefits	827,084	785,233	
Operating expenditures	777,845	819,987	
Capital Outlay	243,000	152,033	
Total	1,847,929	1,757,253	
Reimbursement from Water and Sewer Fund	(312,746)	(312,746)	
Total Information Technologies	1,535,183	1,444,507	90,676
Legal:			
Salaries and employee benefits	421,468	297,602	
Operating expenditures	220,366	27,589	
Total	641,834	325,191	
Reimbursement from Water and Sewer Fund	(145,541)	(145,541)	
Total Legal	496,293	179,650	316,643
Human Resources:			
Salaries and employee benefits	310,364	326,476	
Operating expenditures	586,131	553,040	
Total	896,495	879,516	
Reimbursement from Water and Sewer Fund	(263,843)	(263,843)	
Total Human Resources	632,652	615,673	16,979

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Expenditures (Continued):			
General Government (Continued):			
Planning GIS Division:			
Salaries and employee benefits	271,897	280,530	
Operating expenditures	177,047	167,246	
Capital Outlay	-	-	
Total	448,944	447,776	
Reimbursement from Water and Sewer Fund	(221,284)	(221,284)	
Total Planning GIS Division	227,660	226,492	1,168
Planning:			
Salaries and employee benefits	589,086	478,627	
Operating expenditures	189,357	139,321	
Capital Outlay	24,000	22,676	
Total	802,443	640,624	
Reimbursement from Water and Sewer Fund	(221,283)	(221,283)	
Total Planning	581,160	419,341	161,819
Code Enforcement:			
Salaries and employee benefits	422,786	444,215	
Operating expenditures	112,828	83,420	
Capital Outlay	24,000	23,554	
Total Code Enforcement	559,614	551,189	8,425
Engineering:			
Salaries and employee benefits	731,326	732,716	
Operating expenditures	74,242	49,496	
Capital Outlay	23,000	21,052	
Total	828,568	803,264	

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Expenditures (Continued):			
General Government (Continued):			
Reimbursement from Water and Sewer Fund	(237,705)	(237,705)	
Total Engineering	590,863	565,559	25,304
General Administration and Building:			
Salaries and employee benefits	1,724,266	1,819,951	
Insurance	600,000	639,709	
Operating expenditures	585,587	442,808	
Special Projects	296,500	232,500	
Total General Admin and Building	3,206,353	3,134,968	71,385
Total General Government	9,906,943	9,013,706	893,237
Public Safety:			
Police:			
Administration:			
Salaries and employee benefits	1,118,327	1,087,765	
Operating expenditures	1,083,502	1,147,395	
Capital Outlay	593,300	584,054	
Total	2,795,129	2,819,214	(24,085)
Retirees:			
Salaries and employee benefits	579,856	580,763	
Operating expenditures	-	20	
Total	579,856	580,783	(927)
Records:			
Salaries and employee benefits	297,286	263,055	
Operating expenditures	213,925	220,389	
Capital Outlay	6,320	6,312	
Total	517,531	489,756	27,775
Training and Personnel Services:			
Salaries and employee benefits	464,091	510,169	

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Expenditures (Continued):			
Public Safety (Continued):			
Operating expenditures	371,610	368,811	
Capital Outlay	51,840	-	
Total	887,541	878,980	8,561
CID/Special Ops:			
Salaries and employee benefits	2,653,008	2,510,419	
Operating expenditures	207,204	236,122	
Capital Outlay	10,000	-	
Total	2,870,212	2,746,541	123,671
Field Operations Division:			
Salaries and employee benefits	6,664,720	6,496,752	
Operating expenditures	54,115	58,575	
Capital Outlay	-	-	
Total	6,718,835	6,555,327	163,508
Community Policing:			
Salaries and employee benefits	1,488,854	1,551,475	
Operating expenditures	63,525	32,564	
Capital Outlay	-	-	
Total	1,552,379	1,584,039	(31,660)
Identification:			
Salaries and employee benefits	277,510	414,845	
Operating expenditures	96,033	90,472	
Capital Outlay	-	-	
Total	373,543	505,317	(131,774)
Communications:			
Salaries and employee benefits	1,417,851	1,299,080	
Operating expenditures	568,389	522,610	
Capital Outlay	68,750	68,703	
Total	2,054,990	1,890,393	164,597

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Expenditures (Continued):			
Public Safety (Continued):			
Special Response Team:			
Salaries and employee benefits	-	-	
Operating expenditures	58,883	40,968	
Total	58,883	40,968	17,915
Emergency Management:			
Salaries and employee benefits	79,154	-	
Operating expenditures	7,560	76,307	
Capital Outlay	-	33,372	
Total	86,714	109,679	(22,965)
Total Police	18,495,613	18,200,997	294,616
Animal Services:			
Field:			
Salaries and employee benefits	114,896	120,143	
Operating expenditures	46,232	82,114	
Total	161,128	202,257	(41,129)
Spay/Neuter Clinic:			
Salaries and employee benefits	-	-	
Operating expenditures	24,600	14,302	
Total	24,600	14,302	10,298
Shelter:			
Salaries and employee benefits	1,078,380	1,082,437	
Operating expenditures	500,300	430,937	
Capital Outlay	9,000	-	
Total	1,587,680	1,513,374	74,306
Total Animal Services	1,773,408	1,729,933	43,475

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Expenditures (Continued):			
Public Safety (Continued):			
Fire:			
Administration:			
Salaries and employee benefits	500,939	600,441	
Operating expenditures	38,910	27,546	
Capital Outlay	-	-	
Total	539,849	627,987	(88,138)
Stds & Personnel Development:			
Salaries and employee benefits	87,192	88,961	
Operating expenditures	25,524	41,780	
Capital Outlay	-	-	
Total	112,716	130,741	(18,025)
Fire Code Compliance:			
Salaries and employee benefits	452,432	498,133	
Operating expenditures	22,053	17,244	
Capital Outlay	-	-	
Total	474,485	515,377	(40,892)
Emergency Response Svcs:			
Salaries and employee benefits	6,901,405	6,817,959	
Operating expenditures	385,000	325,156	
Capital Outlay	-	-	
Total	7,286,405	7,143,115	143,290
Emergency Svcs Facilities:			
Operating expenditures	211,097	233,913	
Capital Outlay	1,500	-	
Total	212,597	233,913	(21,316)
Training Center:			
Operating expenditures	56,900	53,582	
Capital Outlay	-	-	
Total	56,900	53,582	3,318

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Expenditures (Continued):			
Emergency Response Equipment:			
Operating expenditures	180,862	178,036	
Capital Outlay	-	-	
Total	180,862	178,036	2,826
Total Fire	8,863,814	8,882,751	(18,937)
Total Public Safety	29,132,835	28,813,681	319,154
Public Works:			
Public Works Department:			
Supervision:			
Salaries and employee benefits	270,818	151,801	
Operating expenditures	18,550	19,709	
Capital Outlay	-	-	
Total	289,368	171,510	117,858
Building Maintenance:			
Salaries and employee benefits	655,410	624,749	
Operating expenditures	64,898	81,513	
Capital Outlay	-	-	
Total	720,308	706,262	14,046
Municipal Building:			
Salaries and employee benefits	-	-	
Operating expenditures	275,000	277,518	
Capital Outlay	-	-	
Total	275,000	277,518	(2,518)
May Memorial Library:			
Salaries and employee benefits	-	-	
Operating expenditures	133,000	96,123	
Capital Outlay	50,000	46,301	
Total	183,000	142,424	40,576

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Expenditures (Continued):			
Public Works (Continued):			
Streets (Continued):			
Equipment Maintenance:			
Salaries and employee benefits	838,318	837,665	
Operating expenditures	385,809	307,763	
Capital Outlay	-	-	
Total	1,224,127	1,145,428	78,699
Streets:			
Salaries and employee benefits	1,060,840	999,250	
Operating expenditures	235,067	389,205	
Capital Outlay	1,138,500	777,734	
Total	2,434,407	2,166,189	268,218
Cemetery:			
Salaries and employee benefits	847,128	754,191	
Operating expenditures	287,211	311,256	
Capital Outlay	-	11,007	
Total	1,134,339	1,076,454	57,885
Sanitation:			
Salaries and employee benefits	1,176,921	915,967	
Operating expenditures	1,518,123	1,976,916	
Capital Outlay	323,000	287,820	
Total	3,018,044	3,180,703	(162,659)
Sustainability:			
Salaries and employee benefits	112,911	59,016	
Operating expenditures	30,300	69,862	
Capital Outlay	-	-	
Total	143,211	128,878	14,333
Inspections:			
Salaries and employee benefits	818,222	758,231	
Operating expenditures	46,262	36,039	

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Expenditures (Continued):			
Public Works (Continued):			
Capital Outlay	44,000	41,956	
Total	908,484	836,226	72,258
Total Public Works	10,330,288	9,831,592	498,696
Transportation:			
Traffic Control Supervisor:			
Salaries and employee benefits	573,373	509,340	
Operating expenditures	421,446	427,606	
Capital Outlay	-	-	
Total	994,819	936,946	57,873
Street Signs - Marking:			
Salaries and employee benefits	194,975	213,764	
Operating expenditures	46,805	50,054	
Capital Outlay	-	-	
Total	241,780	263,818	(22,038)
Street lighting			
Salaries and employee benefits	-	-	
Operating expenditures	700,000	704,453	
Total	700,000	704,453	(4,453)
Total Transportation	1,936,599	1,905,217	31,382
Cultural and Recreation:			
Supervision:			
Salaries and employee benefits	418,313	368,084	
Operating expenditures	40,138	21,152	
Capital Outlay	-	-	
Total	458,451	389,236	69,215
Day Camps and Afterschools:			
Salaries and employee benefits	364,239	308,533	

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Expenditures (Continued):			
Cultural and Recreation (Continued):			
Operating expenditures	46,416	21,510	
Capital Outlay	114,140	108,264	
Total	524,795	438,307	86,488
Athletics:			
Salaries and employee benefits	792,927	759,276	
Operating expenditures	427,153	420,763	
Capital Outlay	36,750	33,470	
Total	1,256,830	1,213,509	43,321
Special Events:			
Salaries and employee benefits	155,630	141,967	
Operating expenditures	78,515	62,855	
Capital Outlay	-	-	
Total	234,145	204,822	29,323
Fairchild Stadium:			
Salaries and employee benefits	-	-	
Operating expenditures	34,000	42,135	
Capital Outlay	9,500	39,403	
Total	43,500	81,538	(38,038)
Recreation Buildings:			
Salaries and employee benefits	1,136,347	923,898	
Operating expenditures	593,196	782,337	
Capital Outlay	113,320	119,114	
Total	1,842,863	1,825,349	17,514
Aquatics:			
Salaries and employee benefits	448,315	417,701	
Operating expenditures	158,500	181,145	
Capital Outlay	-	-	
Total	606,815	598,846	7,969

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Expenditures (Continued):			
Cultural and Recreation (Continued):			
Camp Greenleaves:			
Salaries and employee benefits	27,100	12,973	
Operating expenditures	16,160	4,447	
Capital Outlay	-	-	
Total	43,260	17,420	25,840
Amusement Park:			
Salaries and employee benefits	82,179	59,062	
Operating expenditures	61,957	57,539	
Capital Outlay	-	-	
Total	144,136	116,601	27,535
Golf Course:			
Salaries and employee benefits	493,903	498,724	
Operating expenditures	277,921	307,949	
Capital Outlay	58,000	58,878	
Total	829,824	865,551	(35,727)
Paramount Theater:			
Salaries and employee benefits	92,784	91,482	
Operating expenditures	62,380	71,864	
Capital Outlay	25,624	-	
Total	180,788	163,346	17,442
Willowbrook Park Arboretum:			
Salaries and employee benefits	54,792	57,431	
Operating expenditures	44,676	46,732	
Capital Outlay	33,500	-	
Total	132,968	104,163	28,805
Total Cultural and Recreation	6,298,375	6,018,688	279,687
Debt Service:			
Principal - bond	508,000	508,000	
Interest and other charges - bond	53,595	53,249	

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Expenditures (Continued):			
Prepayment fee	-	-	
Principal - capital lease	2,058,461	2,019,660	
Interest and other charges - capital lease	75,004	45,325	
Pmts to refunding escrow agent	-	-	
Total Debt Service	2,695,060	2,626,234	68,826
Total Expenditures	60,300,100	58,209,118	2,090,982
Revenues Over (Under) Expenditures	(3,031,182)	4,981,224	8,012,406
Other Financing Sources (Uses):			
Transfers from (to) other funds:			
Transfer to Workers Comp	(565,768)	(565,768)	-
Transfer to Transportation	-	-	-
Operating Transfers Out	-	-	-
Year End BA	(400,000)	(400,000)	-
Capital Reserve Fund			-
North Park Pool	138,598	138,598	-
Dentzel Carousel			-
Street Resurfacing			-
Animal Shelter	353	353	-
Group Health	(47,934)	(47,934)	-
MPO	(58,693)	(58,693)	-
Issuance from installment financing	2,024,850	2,024,850	-
Capital Reserve Fund	-	-	-
Sale of properties & materials	64,570	129,784	65,214
Total Other Financing Sources (Uses)	1,155,976	1,221,190	65,214
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,875,206)	6,202,414	<u>\$ 8,077,620</u>
Fund Balance Appropriated	1,875,206		
	<u>\$ -</u>		
Fund Balances beginning		29,951,599	
Fund Balances ending		<u>\$ 36,154,013</u>	

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL RESERVE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET AND ACTUAL
 For The Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment Earnings	\$ -	\$ 26,826	\$ 26,826
Total Revenues	-	26,826	26,826
Expenditures:			
Professional Services	-	-	-
Infrastructure	1,211,100	-	1,211,100
Total Expenditures	1,211,100	-	1,211,100
Revenues Over (Under) Expenditures	(1,211,100)	26,826	1,237,926
Other Financing Sources (Uses):			
Transfer from (to) other funds			
Dentzel Carousel Restore	1,211,100	1,211,100	-
Animal Shelter Fund	-	-	-
Trans Sidewalks & Inter Impr	-	-	-
Dentzel Carousel Restore	-	-	-
Trans Sidewalks & Inter Impr			-
Willowbrook Arboretum			-
Front St Greenway/Bikeway			-
Total Other Financing Sources (Uses)	1,211,100	1,211,100	-
Revenues and Other Sources Over (Under) Expenditures	-	1,237,926	<u>\$ 1,237,926</u>
Fund balance, appropriated	-		
Net change in fund balance	<u>\$ -</u>		
Fund balance, beginning		<u>4,070,628</u>	
Fund balance, ending		<u>\$ 5,308,554</u>	

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CITY OF BURLINGTON, NORTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2021

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,206,301	\$ 3,454,473	\$ 4,660,774
Receivables, net:			
Taxes	62,040	-	62,040
Accounts	152,863	5,693,331	5,846,194
Accrued interest	-	4,705	4,705
Housing rehabilitation loans	1,683,706	-	1,683,706
Home incentive loans	32,000	-	32,000
Due from other funds	-	-	-
Total Assets	<u>\$ 3,136,910</u>	<u>\$ 9,152,509</u>	<u>\$ 12,289,419</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 313,170	\$ 832,337	\$ 1,145,507
Due to other funds	-	-	-
Deferred Revenue	62,040	-	62,040
Total Liabilities	<u>375,210</u>	<u>832,337</u>	<u>1,207,547</u>
Fund Balances			
Restricted:			
Stabilization by State Statute	-	-	-
Economic Development	2,506,463	-	2,506,463
Public Safety	63,394	-	63,394
Committed for Capital Development	-	8,320,172	8,320,172
Assigned for Subsequent Expenditures	452,107	-	452,107
Unassigned	<u>(260,264)</u>	<u>-</u>	<u>(260,264)</u>
Total Fund Balances	<u>2,761,700</u>	<u>8,320,172</u>	<u>11,081,872</u>
Total Liabilities and fund balances	<u>\$ 3,136,910</u>	<u>\$ 9,152,509</u>	<u>\$ 12,289,419</u>

CITY OF BURLINGTON, NORTH CAROLINA
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For The Fiscal Year Ended June 30, 2021

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES			
Ad Valorem taxes	\$ 136,847	\$ -	\$ 136,847
Unrestricted intergovernmental	156,964	-	156,964
Restricted intergovernmental	1,645,200	10,375,150	12,020,350
Sales and services	40,360	-	40,360
Investment earnings	27	29,278	29,305
Miscellaneous	14,924	-	14,924
	<u>1,994,322</u>	<u>10,404,428</u>	<u>12,398,750</u>
Total Revenues			
EXPENDITURES			
Current:			
Public Safety	398,210	-	398,210
Cultural and recreation	191,811	-	191,811
Economic and physical development	2,020,670	-	2,020,670
Capital Outlay		4,881,038	4,881,038
	<u>2,610,691</u>	<u>4,881,038</u>	<u>7,491,729</u>
Total Expenditures			
Revenues over (under) expenditures	<u>(616,369)</u>	<u>5,523,390</u>	<u>4,907,021</u>
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	295,187	-	295,187
Transfer to other funds	(236,494)	(3,840,851)	(4,077,345)
	<u>58,693</u>	<u>(3,840,851)</u>	<u>(3,782,158)</u>
Total other financing sources			
Revenue and other sources over expenditures and other uses	<u>(557,676)</u>	<u>1,682,539</u>	<u>1,124,863</u>
Fund balances:			
Fund balances - beginning	<u>3,319,376</u>	<u>6,637,633</u>	<u>9,957,009</u>
Fund balances - ending	<u>\$ 2,761,700</u>	<u>\$ 8,320,172</u>	<u>\$ 11,081,872</u>



SPECIAL REVENUE FUNDS
Combining Schedules
and
Individual Fund Schedules



CITY OF BURLINGTON, NORTH CAROLINA
ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
For The Fiscal Year Ended June 30, 2021

	Community Development Fund	Rehabili- tation Loan Program Fund	Rental Rehabili- tation Loan Program Fund	Downtown Specil Tax District Fund	Governor's Crime Commision Human Trafficking	RICO Fund	Edward Byrne Justice Assistance Grant Fund
<u>ASSETS</u>							
Cash and cash equivalents	\$ 32,452	\$ 206,877	\$ 178,051	\$ -	\$ 9,240	\$ 127,865	\$ 8,154
Receivables (net):							
Taxes	-	-	-	62,040	-	-	-
Accounts	-	33,213	-	-	-	-	-
Housing Rehabilitation loans	-	1,361,163	322,543	-	-	-	-
Home Incentive loans	-	32,000	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Total Assets	<u>\$ 32,452</u>	<u>\$ 1,633,253</u>	<u>\$ 500,594</u>	<u>\$ 62,040</u>	<u>\$ 9,240</u>	<u>\$ 127,865</u>	<u>\$ 8,154</u>
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 1,766	\$ -	\$ 12,457	\$ -	\$ 3,735	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	62,040	-	-	-
Total Liabilities	<u>1,766</u>	<u>-</u>	<u>12,457</u>	<u>62,040</u>	<u>3,735</u>	<u>-</u>	<u>-</u>
Fund Balances							
Restricted							
Stabilization by State Statute	-	-	-	-	-	-	-
Economic Development	-	1,351,061	488,137	-	5,505	-	-
Public Safety	-	-	-	-	-	55,240	8,154
Assigned							
Subsequent Years Expenditures	30,686	282,192	-	-	-	72,625	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>30,686</u>	<u>1,633,253</u>	<u>488,137</u>	<u>-</u>	<u>5,505</u>	<u>127,865</u>	<u>8,154</u>
Total Liabilities and Fund balances	<u>\$ 32,452</u>	<u>\$ 1,633,253</u>	<u>\$ 500,594</u>	<u>\$ 62,040</u>	<u>\$ 9,240</u>	<u>\$ 127,865</u>	<u>\$ 8,154</u>

CITY OF BURLINGTON, NORTH CAROLINA
 ALL SPECIAL REVENUE FUNDS
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 For The Fiscal Year Ended June 30, 2021

	Community Development Fund	Rehabilitation Loan Program Fund	Rental Rehabili- tation Loan Program Fund	Downtown Special Tax District Fund	Governor's Crime Commission Human Trafficking	RICO Fund	Edward Byrne Justice Assistance Grant Fund
Revenues:							
Ad Valorem taxes	\$ -	\$ -	\$ -	\$ 136,847	\$ -	\$ -	\$ -
Unrestricted							
intergovernmental	-	-	-	-	-	-	-
Restricted intergovernmental	413,999	-	-	-	32,026	23,199	20,476
Sales and services	-	-	-	-	-	-	-
Investment earnings	-	27	-	-	-	-	-
Miscellaneous	-	13,752	1,172	-	-	-	-
Total Revenues	413,999	13,779	1,172	136,847	32,026	23,199	20,476
Expenditures:							
Current:							
Public Safety	-	-	-	-	75,988	114,240	81,263
Cultural and recreation	-	-	-	-	-	-	-
Economic and physical development	623,397	40	64,993	136,847	-	-	-
Total Expenditures	623,397	40	64,993	136,847	75,988	114,240	81,263
Revenue Over (Under) Expenditures	(209,398)	13,739	(63,821)	-	(43,962)	(91,041)	(60,787)
Other Financing Sources (Uses):							
Transfer from other funds	236,494	-	-	-	-	-	-
Transfer to other funds	-	(236,494)	-	-	-	-	-
Transfer to component unit	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	236,494	(236,494)	-	-	-	-	-
Net change in fund balances	27,096	(222,755)	(63,821)	-	(43,962)	(91,041)	(60,787)
Fund balance, beginning	3,590	1,856,008	551,958	-	49,467	218,906	68,941
Fund balance, ending	\$ 30,686	\$ 1,633,253	\$ 488,137	\$ -	\$ 5,505	\$ 127,865	\$ 8,154

Guilford Mackintosh Fund	Controlled Substance Tax Fund	MPO Planning Transportation Fund	Medicare Part D Grant Project Fund	Bureau of Justice Assistance Community Oriented Policing Grant	Old City Solid Waste Landfill Fund	Governor's Crime Commission YDDP Fund	CARES Act Grant Fund	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 136,847
151,451	5,513	-	-	-	-	-	-	156,964
-	-	181,480	-	42,680	61,335	24,551	845,454	1,645,200
40,360	-	-	-	-	-	-	-	40,360
-	-	-	-	-	-	-	-	27
-	-	-	-	-	-	-	-	14,924
<u>191,811</u>	<u>5,513</u>	<u>181,480</u>	<u>-</u>	<u>42,680</u>	<u>61,335</u>	<u>24,551</u>	<u>845,454</u>	<u>1,994,322</u>
-	1,707	-	-	-	-	125,012	-	398,210
191,811	-	-	-	-	-	-	-	191,811
-	-	338,435	212	-	11,292	-	845,454	2,020,670
<u>191,811</u>	<u>1,707</u>	<u>338,435</u>	<u>212</u>	<u>-</u>	<u>11,292</u>	<u>125,012</u>	<u>845,454</u>	<u>2,610,691</u>
-	3,806	(156,955)	(212)	42,680	50,043	(100,461)	-	(616,369)
-	-	58,693	-	-	-	-	-	295,187
-	-	-	-	-	-	-	-	(236,494)
-	-	-	-	-	-	-	-	-
-	-	58,693	-	-	-	-	-	58,693
-	3,806	(98,262)	(212)	42,680	50,043	(100,461)	-	(557,676)
-	23,309	760,022	212	(162,994)	(50,043)	-	-	3,319,376
<u>\$ -</u>	<u>\$ 27,115</u>	<u>\$ 661,760</u>	<u>\$ -</u>	<u>\$ (120,314)</u>	<u>\$ -</u>	<u>\$ (100,461)</u>	<u>\$ -</u>	<u>\$ 2,761,700</u>

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2021

		Actual			Variance
	Total Authorized Revenues	Reported In Prior Years	Current Year	Total To Date	Positive (Negative)
Revenues:					
Restricted					
Intergovernmental:					
Federal Grants-					
Program Year:					
2021	\$ 471,648	\$ -	\$ -	\$ -	\$ (471,648)
2020-CV Alloc	621,532	-	269,853	269,853	(351,679)
2020	465,963	123,308	30,719	154,027	(311,936)
2019	458,622	180,097	16,508	196,605	(262,017)
2018	399,942	342,265	17	342,282	(57,660)
2017	402,011	365,771	8,556	374,327	(27,684)
2016	419,950	417,669	2,281	419,950	-
2015	412,593	278,081	86,065	364,146	(48,447)
2014	458,906	458,906	-	458,906	-
Total Restricted					
Intergovernmental	4,111,167	2,166,097	413,999	2,580,096	(1,531,071)
Total Revenues	4,111,167	2,166,097	413,999	2,580,096	(1,531,071)

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2021

	Total Authorized Costs	Actual			Variance Positive (Negative)
		Reported In Prior Years	Current Year	Total To Date	
Expenditures:					
Economic and Physical Development:					
Program Year 2014:					
Public Works Facilities, Site Improvements:					
Mebane St Sidewalk Proj	143,089	143,522	-	143,522	(433)
Mebane St Crosswalk Proj	33,300	33,300	-	33,300	-
Provision of Public Services:					
North Park Library	26,237	26,237	-	26,237	-
RTS Hall Avenue Upgrade	13,040	13,040	-	13,040	-
Fairchild Park Upgrade	9,399	9,399	-	9,399	-
Allied Churches Upgrade	71,800	65,168	-	65,168	6,632
Construction Training Program	65,000	65,000	-	65,000	-
Burl Development Corp	4,990	4,990	-	4,990	-
Administration	55,000	54,408	-	54,408	592
Total Program Year 2014	421,855	415,064	-	415,064	6,791
Program Year 2015:					
Public Works Facilities, Site Improvements:					
Friendly Ave Culvert	72,917	25,449	-	25,449	47,468
Mebane St Crosswalk Proj	-	-	-	-	-
Provision of Public Services:					
North Park Library	24,137	20,211	557	20,768	3,369
RTS Hall Avenue Upgrade	-	11,081	-	11,081	(11,081)
Family Abuse Serv Upgrade	25,000	-	-	-	25,000
North Park Gym Upgrades	108,860	113,460	-	113,460	(4,600)
Allied Churches Upgrade	67,350	78,478	-	78,478	(11,128)
Relocation	7,000	7,000	-	7,000	-
Construction Training Program	65,000	65,000	-	65,000	-
Burl Development Corp	32,653	33,844	-	33,844	(1,191)
Ralph Scott Life Upgrades	28,505	17,718	10,787	28,505	-
Youth Ctr Citygate Dream Ctr	12,750	12,750	-	12,750	-
Exchange Club Family Ctr	7,000	7,000	-	7,000	-
Dream Center Building Upgrade	-	14,469	-	14,469	(14,469)
Rehab Loan	-	624	(624)	-	-
Administration	68,093	58,252	5,046	63,298	4,795
Total Program Year 2015	519,265	465,336	15,766	481,102	38,163
Program Year 2016:					
Public Works Facilities, Site Improvements:					
Hatch St. Sidewalk	52,050	52,041	-	52,041	9
Provision of Public Services:					
North Park Library	10,000	10,000	-	10,000	-
RTS Hall Avenue Upgrade	-	-	-	-	-
North Park Gym Upgrades	-	-	-	-	-
Allied Churches Upgrade	102,995	102,995	-	102,995	-
Fairchild Park Gym Upgrades	140,000	140,000	-	140,000	-
Relocation	4,000	4,000	-	4,000	-
Construction Training Program	65,000	65,000	-	65,000	-
Burl Development Corp	23,843	23,777	-	23,777	66
Ralph Scott Life Upgrades	-	4,675	-	4,675	(4,675)
Administration	47,112	45,574	(5,046)	40,528	6,584
Total Program Year 2016	445,000	448,062	(5,046)	443,016	1,984
Program Year 2017:					
Provision of Public Services:					
Allied Ch Coordinated Assess	15,000	15,000	-	15,000	-

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2021

	Total Authorized Costs	Actual			Variance Positive (Negative)
		Reported In Prior Years	Current Year	Total To Date	
Expenditures (continued)					
Economic and Physical					
Development (continued):					
Allied Churches Upgrade	15,000	15,000	-	15,000	-
Burl Development Corp	25,209	25,209	-	25,209	-
Const Training Program	65,000	65,000	-	65,000	-
North Park Library	10,000	10,000	-	10,000	-
Relocation	2,000	2,000	-	2,000	-
RTS Upgrades	18,200	18,200	-	18,200	-
Family Abuse Serv Upgrade	31,935	31,935	-	31,935	-
Richmond Hill	35,870	35,870	-	35,870	-
Ralph Scott Life Upgrds	54,390	54,390	-	54,390	-
Thataways Upgrades	37,000	37,000	-	37,000	-
Administration	47,112	46,323	-	46,323	789
Total Program Year 2017	356,716	355,927	-	355,927	789
Program Year 2018:					
Public Works Facilities,					
Site Improvements:					
Infrastructure-N Church Sdwk	63,543	63,544	-	63,544	(1)
Provision of Public Services:					
Allied Churches Upgrade	63,876	-	-	-	63,876
Burl Development Corp	36,000	36,000	-	36,000	-
Const Training Program	26,740	26,740	-	26,740	-
North Park Library	10,000	9,983	-	9,983	17
North Park Upgrades	120,000	132,001	-	132,001	(12,001)
Relocation	2,000	2,000	-	2,000	-
Ralph Scott Life Upgrades	52,000	52,000	-	52,000	-
Administration	52,000	52,142	-	52,142	(142)
Total Program Year 2018	426,159	374,410	-	374,410	51,749
Program Year 2019:					
Public Works Facilities,					
Site Improvements:					
Infrastructure-N Church Sdwk	-	-	-	-	-
Clay Ct/Clay St Paving	90,643	73,393	-	73,393	17,250
Sharpe Rd Pedestrian Crossing	116,593	-	116,593	116,593	-
Haw River Grnway-Stone Quarry	642	-	-	-	642
Public Facilities & Infrastructure	107,642	-	-	-	107,642
Provision of Public Services:					
Allied Churches Upgrade	2,290	2,290	-	2,290	-
Burl Development Corp	2,290	8,338	-	8,338	(6,048)
Const Training Program	-	-	-	-	-
North Park Library	2,290	2,847	(557)	2,290	-
North Park Upgrades	136,642	-	-	-	136,642
Relocation	-	-	-	-	-
Ralph Scott Life Upgrades	642	11,429	(10,787)	642	-
Family Abuse Serv Upgrade	642	-	-	-	642
RTS Upgrades	2,932	2,932	-	2,932	-
Youth Ctr Citygate Dream Ct	2,290	1,050	-	1,050	1,240
Exchange Club Family Center	2,290	2,175	-	2,175	115
Dream Center Building Upgrade	44,441	53,681	-	53,681	(9,240)
CP Restrooms-Ovrbrk Amphith	99,843	53,548	126,555	180,103	(80,260)
Rehab Loan	25,000	12,000	624	12,624	12,376
Administration	37,304	35,313	-	35,313	1,991
Total Program Year 2019	674,416	258,996	232,428	491,424	182,992

Continued next page.

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2021

	Total Authorized Costs	Reported In Prior Years	Actual Current Year	Total To Date	Variance Positive Negative
Expenditures (continued)					
Economic and Physical					
Development (continued):					
Program Year 2020:					
Public Works Facilities,					
Site Improvements:					
Vaughn St Sidewalk	111,468	-	-	-	111,468
Provision of Public Services:					
Allied Churches Serenity	25,000	22,917	2,083	25,000	-
Burl Development Corp	13,833	6,439	-	6,439	7,394
North Park Library	10,000	9,999	-	9,999	1
North Park Dev Ph2B	110,330	-	-	-	110,330
Relocation	5,000	479	2,576	3,055	1,945
Ralph Scott Lifeservices	32,585	-	-	-	32,585
Residential Treatment Svcs	13,833	13,833	-	13,833	-
Youth Ctr CityGate Dream Svcs	13,334	13,334	-	13,334	-
Exchange Club Family Center	9,000	7,631	-	7,631	1,369
Dream Center Building Upgrade	55,000	10,400	1,219	11,619	43,381
Creative Dir Workforce Devl	-	-	-	-	-
Rehab Loan	-	-	-	-	-
Administration	633,219	56,317	290,883	347,200	286,019
Total Program Year 2020	1,032,602	141,349	296,761	438,110	594,492
Program Year 2021:					
Beverly Hills Apt Expense	-	-	487	487	(487)
Emergency Repair Work	23,582	-	-	-	23,582
Administration	70,747	-	30,408	30,408	40,339
Public Facilities & Infrastructure	282,990	-	-	-	282,990
Public Services	70,747	-	52,593	52,593	18,154
Economic Development	23,582	-	-	-	23,582
Total Program Year 2021	471,648	-	83,488	83,488	388,160
Total Expenditures	4,347,661	2,459,144	623,397	3,082,541	1,265,120
Revenues Over (Under)					
Expenditures	(236,494)	(293,047)	(209,398)	(502,445)	(265,951)
Other Financing Sources (Uses):					
Transfer from (to) other funds:					
Rehabilitation	236,494	-	236,494	236,494	-
Total Other Financing (Uses)	236,494	-	236,494	236,494	-
Revenues and Other Sources					
Over (Under) Expenditures					
And Other Uses	-	<u>\$ (293,047)</u>	27,096	<u>\$ (265,951)</u>	<u>\$ (265,951)</u>
Fund balance, appropriated	-				
Net change in fund balance	<u>\$ -</u>				
Fund balance, beginning			3,590		
Fund balance, ending			<u>\$ 30,686</u>		

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - REHABILITATION LOAN PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment earnings	\$	\$ 27	\$
Miscellaneous:		-	
Interest on loans		13,752	
Total Revenues	-	13,779	13,779
Expenditures:			
Economic and Physical Development:			
Operating Expenditures		40	
Provision for bad debts		-	
Total Expenditures	282,192	40	282,152
Revenues Over (Under) Expenditures	(282,192)	13,739	295,931
Other Financing Sources (Uses):			
Transfers to other fund:			
Community Development	(236,494)	(236,494)	-
Total Other Financing Sources (Uses)	(236,494)	(236,494)	-
Revenues (Under) Expenditures and Other Uses	(518,686)	(222,755)	\$ 295,931
Fund balance appropriated	518,686		
Net change in fund balance	\$ -		
Fund balance, beginning		1,856,008	
Fund balance, ending		\$ 1,633,253	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - RENTAL REHABILITATION LOAN PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment earnings	\$	\$ -	\$
Miscellaneous:			
Interest on loans		1,172	
Miscellaneous income		-	
Total Revenues	17,245	1,172	(16,073)
Expenditures:			
Economic and Physical Development:			
Personnel Services		3,890	
Housing Repair		49	
CTP Housing - City		61,054	
Provision for bad debts		-	
Total Expenditures	82,245	64,993	17,252
Revenues Over (Under) Expenditures	(65,000)	(63,821)	1,179
Other Financing Sources (Uses):			
Transfers to other fund:			
Home Program Project	(27,800)	-	(27,800)
Total Other Financing Sources (Uses)	(27,800)	-	(27,800)
Revenues (Under) Expenditures and Other Uses	(92,800)	(63,821)	\$ (26,621)
Fund balance appropriated	92,800		
Net change in fund balance	\$ -		
Fund balance, beginning		551,958	
Fund balance, ending		\$ 488,137	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - DOWNTOWN SPECIAL TAX DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad Valorem Taxes:			
Taxes	\$	\$ 137,353	\$
Tax discounts		(506)	
Total	165,580	136,847	(28,733)
Sales and Service:			
Parade Holiday Events		-	
Farmers Market		-	
Promotional Sales		-	
Total	-	-	-
Total Revenues	165,580	136,847	(28,733)
Expenditures:			
Economic and Physical Development:			
Salaries and employee benefits			
Operating expenditures		136,847	
Equipment		-	
Total Expenditures	342,410	136,847	205,563
Revenues Over (Under) Expenditures	(176,830)	-	176,830
Other Financing Sources (Uses):			
Transfers from other funds:			
Energy Efficiency Upgrade Mainstreet	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Revenues (Under) Expenditures and Other Uses	(176,830)	-	<u>\$ 176,830</u>
Fund balance appropriated	176,830		
Net change in fund balance	<u>\$ -</u>		
Fund balance, beginning			
Fund balance, ending		<u>\$ -</u>	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - HOME PROGRAM PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
From Inception and For The Fiscal Year Ended June 30, 2021

	Total Authorized Costs	Actual Reported In Prior Years	Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
Restricted					
Intergovernmental:					
Federal Grant	\$ 5,738,352	\$ 4,653,857	\$ 10,145	\$ 4,664,002	\$ (1,074,350)
Federal Grant - County	2,566,456	2,003,300	10,145	2,013,445	(553,011)
State Grant		2,667		2,667	2,667
Local Funds	36,465	6,481		6,481	(29,984)
Total	8,341,273	6,666,305	20,290	6,686,595	(1,654,678)
Miscellaneous					
Program income	1,934,484	1,186,727	29,883	1,216,610	(717,874)
Miscellaneous income	-	25	-	25	25
Total	1,934,484	1,186,752	29,883	1,216,635	(717,849)
Total Revenues	10,275,757	7,853,057	50,173	7,903,230	(2,372,527)
Expenditures:					
Economic and Physical					
Development:					
Administrative	582,554	425,639	150	425,789	156,765
Homebuyer assistance	166,167	53,353	-	53,353	112,814
CHDO project assistance	1,267,310	1,019,969	-	1,019,969	247,341
Rehabilitation-owner	8,273,778	2,933,074	-	2,933,074	5,340,704
Rehabilitation-rental	313,250	115,442	-	115,442	197,808
Lead based paint reduction	37,500	37,500	-	37,500	-
Relocation	64,781	64,781	-	64,781	-
CTP Housing Activities	1,152,755	420,205	-	420,205	732,550
Provision for bad debts	-	322,137	-	322,137	(322,137)
Total Expenditures	11,858,095	5,392,100	150	5,392,250	6,465,845
Revenues Over (Under)					
Expenditures	(1,582,338)	2,460,957	50,023	2,510,980	4,093,318
Other Financing Sources:					
Transfers from other funds:					
HOME Investment Partnership					
Project Fund		450,726	-	450,726	450,726
Rental Rehabilitation Loan					
Program	863,150	800,360	-	800,360	(62,790)
Rehabilitation Loan Program					
Fund		232,688	-	232,688	232,688
Single Family Housing					
Project Fund		143,664	-	143,664	143,664
Total Other Financing Sources	863,150	1,627,438	-	1,627,438	764,288
Revenues and Other Sources					
Over (Under) Expenditures	(719,188)	\$ 4,088,395	50,023	\$ 4,138,418	\$ 4,857,606
Fund balance, beginning	719,188		4,088,395		
Fund balance, ending	\$ -		\$ 4,138,418		

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - GOVERNOR'S CRIME COMMISSION HUMAN TRAFFICKING
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2021

	Total Authorized Cost	Actual Reported In Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
Restricted					
Intergovernmental:					
State Grant	\$ 356,493	\$ 324,447	\$ 32,026	\$ 356,473	\$ (20)
Total Revenues	356,493	324,447	32,026	356,473	(20)
Expenditures:					
Public Safety:					
Salaries and Employee					
Benefits	372,371	303,854	75,024	378,878	(6,507)
Operating Expenditures	41,393	28,399	964	29,363	12,030
Equipment	16,830	16,829	-	16,829	1
Total Expenditures	430,594	349,082	75,988	425,070	5,524
Revenues Over (Under)					
Expenditures	(74,101)	(24,635)	(43,962)	(68,597)	5,504
Other Financing Sources:					
Transfers from other funds:					
General Fund	74,101	74,101	-	74,101	-
Total Other Financing					
Sources	74,101	74,101	-	74,101	-
Revenues and Other Sources Over					
(Under) Expenditures and Other Uses	\$ -	\$ 49,466	(43,962)	\$ 5,504	\$ 5,504
Fund balance, beginning			49,467		
Fund balance, ending			\$ 5,505		

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - RICO FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted Intergovernmental:			
RICO funds	\$ -	\$ 22,468	\$ 22,468
Dept. of Treasury		731	731
Investment Earnings		-	-
Total Revenues	-	23,199	23,199
Expenditures:			
Public Safety:			
RICO funds		114,240	(114,240)
Total Expenditures	166,199	114,240	51,959
Revenues Over (Under) Expenditures	(166,199)	(91,041)	\$ 75,158
Fund balance appropriated	166,199		
Net change in fund balance	\$ -		
Fund balance, beginning		218,906	
Fund balance, ending		\$ 127,865	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - EDWARD BYRNE JUSTICE ASSISTANCE GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2021

	Total Authorized Cost	Reported In Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
Restricted					
Intergovernmental:					
State Grant	\$ 1,251,252	\$ 1,008,020	\$ 20,476	\$ 1,028,496	\$ (222,756)
Total Revenues	1,251,252	1,008,020	20,476	1,028,496	(222,756)
Expenditures:					
Public Safety:					
Operating Expenditures	411,838	314,399	-	314,399	97,439
Equipment	930,991	683,637	81,263	764,900	166,091
Total Expenditures	1,342,829	998,036	81,263	1,079,299	263,530
Revenues Over (Under) Expenditures	(91,577)	9,984	(60,787)	(50,803)	40,774
Other Financing Sources:					
Transfers from other funds:					
RICO Fund	58,957	58,957	-	58,957	-
Total Other Financing Sources	58,957	58,957	-	58,957	-
Revenues and Other Sources Over Expenditures and Other Uses	\$ (32,620)	\$ 68,941	(60,787)	\$ 8,154	\$ 40,774
Fund balance appropriated	32,620				
Net change in fund balance	\$ -				
Fund balance, beginning			68,941		
Fund balance, ending			\$ 8,154		

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - GUILFORD MACKINTOSH FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Unrestricted Intergovernmental:			
Guilford County Reimbursement	\$	\$ 151,451	\$
Total	<u>149,400</u>	<u>151,451</u>	<u>2,051</u>
Sales and Service:			
Boat rentals		18,132	
Fishing fees		5,665	
Boat launch fees		10,902	
Concession sales		1,811	
Shelter rentals		3,850	
House rentals		0	
Total	<u>40,200</u>	<u>40,360</u>	<u>160</u>
Total Revenues	<u>189,600</u>	<u>191,811</u>	<u>2,211</u>
Expenditures:			
Cultural and Recreation:			
Salaries and employee benefits		161,734	
Operating expenditures		30,077	
Total Expenditures	<u>189,600</u>	<u>191,811</u>	<u>(2,211)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning		<u> </u>	
Fund balance, ending		<u>\$ -</u>	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - CONTROLLED SUBSTANCE TAX REFUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Unrestricted Intergovernmental:			
Controlled substance funds	\$	\$ 5,513	\$
Total Revenues	-	5,513	5,513
Expenditures:			
Public Safety:			
Salaries and Employee			
Benefits		1,707	
Operating expenditures		-	
Total Expenditures	54,689	1,707	52,982
Revenues Over (Under) Expenditures	(54,689)	3,806	<u>\$ 58,495</u>
Fund balance appropriated	54,689		
Net change in fund balance	<u>\$ -</u>		
Fund balance, beginning		23,309	
Fund balance, ending		<u>\$ 27,115</u>	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - MPO PLANNING TRANSPORTATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted Intergovernmental:			
State Grant	\$	\$ 181,480	\$
Bike/Pedes Trans Plan Fee		-	
Interest		-	
Total Revenues	261,761	181,480	(80,281)
Expenditures:			
Economic and Physical Development:			
Salaries and Employee Benefits		245,879	
Operating expenditures		92,556	
Special projects		-	
Total Expenditures	399,254	338,435	60,819
Revenues Over (Under) Expenditures	(137,493)	(156,955)	(19,462)
Other Financing Sources:			
Transfer from other funds:			
General Fund	58,693	58,693	-
Total Other Financing Sources	58,693	58,693	-
Revenues and Other Sources (Under) Expenditures	(78,800)	(98,262)	\$ (19,462)
Fund balance, appropriated	78,800		
Net change in fund balance	\$ -		
Fund balance, beginning		760,022	
Fund balance, ending		\$ 661,760	

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - MEDICARE PART D GRANT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2021

	Project Authorization	Actual			Variance Positive (Negative)
		Reported In Prior Years	Current Year	Total To Date	
Revenues:					
State Grant	\$ 48,100	\$ 48,100	\$ -	\$ 48,100	\$ -
Total Revenues	48,100	48,100	-	48,100	-
Expenditures:					
Operating expenditures	58,898	47,888	212	48,100	10,798
Total Expenditures	58,898	47,888	212	48,100	10,798
Revenues Over (Under) Expenditures	\$ (10,798)	\$ 212	(212)	\$ -	\$ 10,798
Fund balance, appropriated	10,798				
Net change in fund balance	\$ -				
Fund balance, beginning			212		
Fund balance, ending			\$ -		

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - BUREAU OF JUST ASST COMM ORIENTED POLICING GRANT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2021

	Total Authorized Cost	Reported In Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
Restricted					
Intergovernmental:					
State Grant	\$ 1,592,823	\$ 1,531,699	\$ 42,680	\$ 1,574,379	\$ (18,444)
Total Revenues	<u>1,592,823</u>	<u>1,531,699</u>	<u>42,680</u>	<u>1,574,379</u>	<u>(18,444)</u>
Expenditures:					
Public Safety:					
Salaries and					
Employee Benefits	1,971,132	2,072,799	-	2,072,799	(101,667)
Total Expenditures	<u>1,971,132</u>	<u>2,072,799</u>	<u>-</u>	<u>2,072,799</u>	<u>(101,667)</u>
Revenues Over (Under)					
Expenditures	\$ (378,309)	\$ (541,100)	\$ 42,680	\$ (498,420)	\$ (120,111)
Other Financing					
Sources:					
Transfers from other funds:					
General Fund	378,309	378,106	-	378,106	(203)
Total Other Financing	<u>378,309</u>	<u>378,106</u>	<u>-</u>	<u>378,106</u>	<u>(203)</u>
Revenues and Other Sources					
Over (Under) Expenditures					
and Other Uses	<u>\$ -</u>	<u>\$ (162,994)</u>	42,680	<u>\$ (120,314)</u>	<u>\$ (120,314)</u>
Fund balance, beginning			<u>(162,994)</u>		
Fund balance, ending			<u>\$ (120,314)</u>		

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - OLD CITY SOLID WASTE LANDFILL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2021

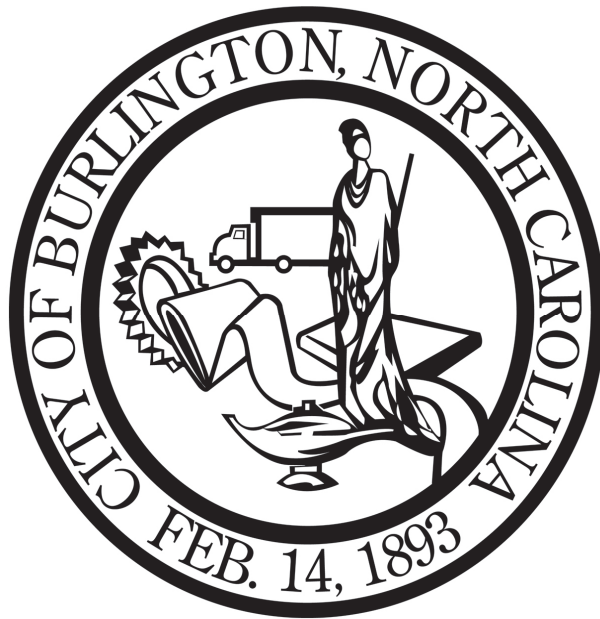
	Total Authorized Cost	Actual		Total To Date	Variance Positive (Negative)
		Reported In Prior Years	Current Year		
Revenues:					
Restricted					
Intergovernmental:					
State Grant	\$ 64,274	\$ -	\$ 61,335	\$ 61,335	\$ (2,939)
Total Revenues	64,274	-	61,335	61,335	(2,939)
Expenditures:					
Economic and physical development					
Professional Services	64,274	50,043	11,292	61,335	2,939
Total Expenditures	64,274	50,043	11,292	61,335	2,939
Revenues Over (Under) Expenditures	-	(50,043)	50,043	-	-
Other Financing Sources:					
Transfers from other funds:					
General Fund	-	-	-	-	-
Total Other Financing Sources	-	-	-	-	-
Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ (50,043)	50,043	\$ -	\$ -
Fund balance, beginning			(50,043)		
Fund balance, ending			\$ -		

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - GOVERNOR'S CRIME COMM YOUTH DIV/DEF PROG
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2021

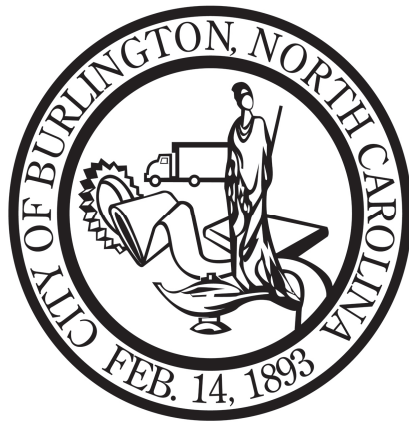
	Total Authorized Cost	Actual		Total To Date	Variance Positive (Negative)
		Reported In Prior Years	Current Year		
Revenues:					
Restricted					
Intergovernmental:					
State Grant	\$ 399,878	\$ -	\$ 24,551	\$ 24,551	\$ (375,327)
Total Revenues	399,878	-	24,551	24,551	(375,327)
Expenditures:					
Public Safety:					
Salaries and					
Employee Benefits	136,406	-	36,587	36,587	99,819
Operating Expenditures	253,072	-	88,425	88,425	164,647
Equipment	10,400	-	-	-	10,400
Total Expenditures	399,878	-	125,012	125,012	274,866
Revenues Over (Under) Expenditures	-	-	(100,461)	(100,461)	(100,461)
Other Financing Sources:					
Transfers from other funds:					
General Fund	-	-	-	-	-
Total Other Financing Sources	-	-	-	-	-
Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ -	(100,461)	\$ (100,461)	\$ (100,461)
Fund balance, beginning			-		
Fund balance, ending			\$ (100,461)		

CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - CARES ACT GRANT PROJECT ORD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For The Fiscal Year Ended June 30, 2021

	Total Authorized Cost	Reported In Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
Restricted					
Intergovernmental:					
State Grant	\$ 845,455	\$ -	\$ 845,454	\$ 845,454	\$ (1)
Total Revenues	845,455	-	845,454	845,454	(1)
Expenditures:					
Economic and physical development:					
Salaries and					
Employee Benefits	687,599	-	577,910	577,910	109,689
Operating Expenditures	110,906	-	228,298	228,298	(117,392)
Equipment	46,950	-	39,246	39,246	7,704
Total Expenditures	845,455	-	845,454	845,454	1
Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources:					
Transfers from other funds:					
General Fund	-	-	-	-	-
Total Other Financing Sources	-	-	-	-	-
Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ -	-	\$ -	\$ -
Fund balance, beginning			-		
Fund balance, ending			\$ -		



CAPITAL PROJECT FUNDS
Combining Schedules
and
Individual Fund Schedules



CITY OF BURLINGTON, NORTH CAROLINA
ALL CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
For The Fiscal Year Ended June 30, 2021

	ERP System Project Fund	Trans Sidewalks & Intersections Fund	Animal Shelter Fund	Greenway/ Bikeway Fund
<u>ASSETS</u>				
Cash and cash equivalents	\$ 189,986	\$ 2,666,147	\$ -	\$ 216,115
Receivables:				
Accounts	-	-	-	-
Accrued Interest Receivable	-	2,811	-	-
Due from other funds	-	-	-	-
Total Assets	<u>189,986</u>	<u>2,668,958</u>	<u>-</u>	<u>216,115</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Deferred Revenue				
Due to other funds				
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Committed for Capital				
Improvements	\$ 189,986	\$ 2,668,958	\$ -	\$ 216,115
Unassigned	-	-	-	-
Total Fund Balances	<u>189,986</u>	<u>2,668,958</u>	<u>-</u>	<u>216,115</u>
Total Liabilities and Fund Balances	<u>\$ 189,986</u>	<u>\$ 2,668,958</u>	<u>\$ -</u>	<u>\$ 216,115</u>

Willowbrook Park Arboretum Fund	Dentzel Carousel Restoration Fund	North Park Pool Project Fund	Street Resurfacing Project Fund	Gen Fund Capital Project Fund	Totals
\$ -	\$ -	\$ -	\$ 382,225	\$ -	\$ 3,454,473
-	4,290,395	-	-	1,402,936	5,693,331
-	-	-	1,894	-	4,705
-	-	-	-	-	-
-	4,290,395	-	384,119	1,402,936	9,152,509
\$ 611,256	\$ 221,081	\$ -	\$ -	\$ -	\$ 832,337
-	-	-	-	-	-
611,256	221,081	-	-	-	832,337
\$ (611,256)	\$ 4,069,314	\$ -	\$ 384,119	\$ 1,402,936	8,320,172
-	-	-	-	-	-
(611,256)	4,069,314	-	384,119	1,402,936	8,320,172
\$ -	\$ 4,290,395	\$ -	\$ 384,119	\$ 1,402,936	\$ 9,152,509

CITY OF BURLINGTON, NORTH CAROLINA
 ALL CAPITAL PROJECT FUNDS
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For The Fiscal Year Ended June 30, 2021

	ERP System Project Fund	Trans Sidewalks & Intersections Fund	Animal Shelter Fund	Greenway/ Bikeway Fund
Revenues:				
Restricted Intergovernmental:	\$ -	\$ -	2,900,000	\$ -
Investment Earnings	-	23,126	-	-
Total Revenues	<u>-</u>	<u>23,126</u>	<u>2,900,000</u>	<u>-</u>
Expenditures:				
Capital Improvements	128,902	(777,152)	373,175	49,871
Total Expenditures	<u>128,902</u>	<u>(777,152)</u>	<u>373,175</u>	<u>49,871</u>
Revenues Over (Under) Expenditures	<u>(128,902)</u>	<u>800,278</u>	<u>2,526,825</u>	<u>(49,871)</u>
Other Financing Sources:				
Transfers from other funds	-	-	-	-
Transfers (to) other funds	<u>-</u>	<u>(2,490,800)</u>	<u>(353)</u>	<u>-</u>
Total Other Financing Sources	-	(2,490,800)	(353)	-
Net change in fund balance	(128,902)	(1,690,522)	2,526,472	(49,871)
Fund balance, beginning	<u>318,888</u>	<u>4,359,480</u>	<u>(2,526,472)</u>	<u>265,986</u>
Fund balance, ending	<u>\$ 189,986</u>	<u>\$ 2,668,958</u>	<u>-</u>	<u>\$ 216,115</u>

Willowbrook Park Arboretum Fund	Dentzel Carousel Restoration Fund	North Park Pool Project Fund	Street Resurfacing Project Fund	Gen Fund Capital Project Fund	Totals
\$ -	\$ 5,525,790	\$ -	\$ -	\$ 1,949,360	\$ 10,375,150
-	-	-	6,152	-	29,278
-	5,525,790	-	6,152	1,949,360	10,404,428
498,267	1,400,855	673,663	1,987,033	546,424	4,881,038
498,267	1,400,855	673,663	1,987,033	546,424	4,881,038
(498,267)	4,124,935	(673,663)	(1,980,881)	1,402,936	5,523,390
-	-	-	-	-	-
-	(1,211,100)	(138,598)	-	-	(3,840,851)
-	(1,211,100)	(138,598)	-	-	(3,840,851)
(498,267)	2,913,835	(812,261)	(1,980,881)	1,402,936	1,682,539
(112,989)	1,155,479	812,261	2,365,000	-	6,637,633
\$ (611,256)	\$ 4,069,314	\$ -	\$ 384,119	\$ 1,402,936	\$ 8,320,172

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND - ERP SYSTEM PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2021

	Project Authorization	Actual			Variance Positive (Negative)
		Reported In Prior Years	Current Year	Total To Date	
Revenues:					
Investment earnings	\$ -	\$ 4,342	\$ -	\$ 4,342	\$ 4,342
Total Revenues	-	4,342	-	4,342	4,342
Expenditures:					
Professional Services	51,000	158,723	(2,775)	155,948	(104,948)
Travel - Consultants	10,000	35,555	-	35,555	(25,555)
Software	2,403,250	1,618,199	131,677	1,749,876	653,374
Misc - Contractor Fees - 1yr	-	-	-	-	-
Equipment - Hardware	157,000	448,703	-	448,703	(291,703)
Other Equipment	221,500	177,498	-	177,498	44,002
Supplies	-	36,026	-	36,026	(36,026)
Total Expenditures	2,842,750	2,474,704	128,902	2,603,606	239,144
Revenues Over (Under) Expenditures	(2,842,750)	(2,470,362)	(128,902)	(2,599,264)	243,486
Other Financing Sources					
Transfer from other funds					
Capital Reserve	812,650	812,650	-	812,650	-
Water & Sewer	733,100	733,100	-	733,100	-
General Fund	1,243,500	1,243,500	-	1,243,500	-
Total Other Financing Sources	2,789,250	2,789,250	-	2,789,250	-
Revenues and Other Sources Over (Under) Expenditures	(53,500)	\$ 318,888	(128,902)	\$ 189,986	\$ 243,486
Fund Balance, Appropriated	53,500				
Net change in fund balance	\$ -				
Fund balance, beginning			318,888		
Fund balance, ending			\$ 189,986		

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND -TRANS SIDEWALKS & INTERSECTIONS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2021

		Actual			Variance
	Project Authorization	Reported In Prior Years	Current Year	Total To Date	Positive (Negative)
Revenues:					
NCDOT Grant	\$ 377,400	\$ 213,000	\$ -	\$ 213,000	\$ (164,400)
Investment Earnings	-	73,518	23,126	96,644	96,644
Total Revenues	377,400	286,518	23,126	309,644	(67,756)
Expenditures:					
Transit Ped Improv Proj	-	828,557	(827,506)	1,051	(1,051)
Graham Hopedale & Mebane	660,900	-	-	-	660,900
Oneal/Rockwood/Edgew	100,000	21,288	-	21,288	78,712
Forestdale Widening	301,895	299,222	-	299,222	2,673
Mebane & Beaumont	75,000	53,254	-	53,254	21,746
NCDOT Local Match Proj	445,000	-	-	-	445,000
City Ped Improv Proj	430,000	27,612	50,354	77,966	352,034
Traffic Sig Upgrd-City's Port	1,176,700	-	-	-	1,176,700
Resurfacing/Patching	-	-	-	-	-
Total Expenditures	3,189,495	1,229,933	(777,152)	452,781	2,736,714
Revenues Over (Under) Expenditures	(2,812,095)	(943,415)	800,278	(143,137)	2,668,958
Other Financing Sources (Uses):					
Transfers from other funds					
General Fund	2,627,700	2,627,700	-	2,627,700	-
Capital Reserve	1,184,395	1,184,395	-	1,184,395	-
Transportation Fund	2,390,800	2,390,800	-	2,390,800	-
Transfers to other funds					
Street Resurfacing	(3,390,800)	(900,000)	(2,490,800)	(3,390,800)	-
Total Other Financing Sources	2,812,095	5,302,895	(2,490,800)	2,812,095	-
Revenues and Other Sources (Over) Under Expenditures	\$ -	\$ 4,359,480	(1,690,522)	\$ 2,668,958	\$ 2,668,958
Fund Balance, Appropriated	-				
Net change in fund balance	\$ -				
Fund balance, beginning			4,359,480		
Fund balance, ending			\$ 2,668,958		

CITY OF BURLINGTON, NORTH CAROLINA
CAPITAL PROJECTS FUND -ANIMAL SHELTER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
From Inception And For The Fiscal Year Ended June 30, 2021

		Actual			Variance
	Project	Reported	Current	Total	Positive
	Authorization	In Prior	Year	To Date	(Negative)
		Years			
Revenues:					
Donations-Anim Shel Bld Fund	\$ 3,651,535	\$ 751,535	\$ 2,900,000	\$ 3,651,535	\$ -
Total Revenues	3,651,535	751,535	2,900,000	3,651,535	-
Expenditures:					
Professional Services	493,827	501,627	(7,800)	493,827	-
Equip/Constr Not Capitalized	30,000	30,000	2,500	32,500	(2,500)
Buildings	4,501,314	4,182,529	318,785	4,501,314	-
Capital - Other Improvements	62,190	-	59,690	59,690	2,500
Contingency	221,651	221,651	-	221,651	-
Total Expenditures	5,308,982	4,935,807	373,175	5,308,982	-
Revenues Over (Under)					
Expenditures	(1,657,447)	(4,184,272)	2,526,825	(1,657,447)	-
Other Financing Sources (Uses):					
Transfers from other funds					
Operating Txfr In	1,657,800	1,657,800	-	1,657,800	-
General Fund	(353)	-	(353)	(353)	-
Total Other Financing Sources	1,657,447	1,657,800	(353)	1,657,447	-
Revenues and Other Sources					
(Over) Under Expenditures	\$ -	\$ (2,526,472)	2,526,472	\$ -	\$ -
Fund Balance, Appropriated	-				
Net change in fund balance	\$ -				
Fund balance, beginning			(2,526,472)		
Fund balance, ending			\$ -		

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND -GREENWAY/BIKEWAY
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2021

		Actual			Variance
	Project	In Prior	Current	Total	Positive
	Authorization	Years	Year	To Date	(Negative)
Revenues:					
Donations-Grnwy/Bkwy	\$ 420,000	\$ 420,000	\$ -	\$ 420,000	\$ -
Total Revenues	420,000	420,000	-	420,000	-
Expenditures:					
Front St Greenway/Bikeway	500,000	503,853	-	503,853	(3,853)
Ruby Lane Trailhead	50,000	-	49,871	49,871	129
Town & Country Bkwy	225,000	5,161	-	5,161	219,839
Total Expenditures	775,000	509,014	49,871	558,885	216,115
Revenues Over (Under)					
Expenditures	(355,000)	(89,014)	(49,871)	(138,885)	216,115
Other Financing Sources:					
Transfers from other funds					
Operating Txfr In	355,000	355,000	-	355,000	-
General Fund	-	-	-	-	-
Total Other Financing					
Sources	355,000	355,000	-	355,000	-
Revenues and Other Sources					
(Over) Under Expenditures	\$ -	\$ 265,986	(49,871)	\$ 216,115	\$ 216,115
Fund Balance, Appropriated	-				
Net change in fund balance	\$ -				
Fund balance, beginning			265,986		
Fund balance, ending			\$ 216,115		

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND -WILLOWBROOK ARBORETUM
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2021

		Actual			Variance
	Project	In Prior	Current	Total	Positive
	Authorization	Years	Year	To Date	(Negative)
Revenues:					
Donations	\$ 637,560	\$ 8,650	\$ -	\$ 8,650	\$ (628,910)
PARTF Grant	296,690	-	-		(296,690)
Contributed Capital	1,115,750	-	-		(1,115,750)
Total Revenues	2,050,000	8,650	-	8,650	(2,041,350)
Expenditures:					
Professional Services	15,000	-	-	-	15,000
Buildings	350,000	121,810	232,912	354,722	(4,722)
Capital-Other Imprmnts	1,776,650	249,829	125,559	375,388	1,401,262
Contingency	158,350	-	139,796	139,796	18,554
Total Expenditures	2,300,000	371,639	498,267	869,906	1,430,094
Revenues Over (Under)					
Expenditures	(250,000)	(362,989)	(498,267)	(861,256)	(611,256)
Other Financing Sources:					
Transfers from other funds					
Operating Txfr In	250,000	250,000	-	250,000	-
General Fund	-	-	-	-	-
Total Other Financing	250,000	250,000	-	250,000	-
Sources					
Revenues and Other Sources					
(Over) Under Expenditures	\$ -	\$ (112,989)	(498,267)	\$ (611,256)	\$ (611,256)
Fund Balance, Appropriated	-				
Net change in fund balance	\$ -				
Fund balance, beginning			(112,989)		
Fund balance, ending			\$ (611,256)		

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND -DENTZEL CAROUSEL RESTORATION
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2021

		Actual			Variance
	Project	In Prior	Current	Total	Positive
	Authorization	Years	Year	To Date	(Negative)
Revenues:					
Proceeds from Install Fin	\$ 5,525,790	\$ -	\$ 5,525,790	\$ 5,525,790	\$ -
Total Revenues	5,525,790	-	5,525,790	5,525,790	-
Expenditures:					
Professional Services	291,780	-	109	109	291,671
Issuance Costs	70,640	-	65,501	65,501	5,139
Land	50,000	50,000	-	50,000	-
Buildings	3,952,880	222,527	548,443	770,970	3,181,910
Capital-Other Imprmnts	1,250,000	124,868	786,802	911,670	338,330
Contingency	252,264	-	-	-	252,264
Total Expenditures	5,867,564	397,395	1,400,855	1,798,250	4,069,314
Revenues Over (Under)					
Expenditures	(341,774)	(397,395)	4,124,935	3,727,540	4,069,314
Other Financing Sources (Uses):					
Transfers from other funds					
Operating Transfer In	1,552,874	1,552,874	-	1,552,874	-
Transfers to other funds					
Operating Transfer Out	(1,211,100)	-	(1,211,100)	(1,211,100)	-
Total Other Financing					
Sources (Uses)	341,774	1,552,874	(1,211,100)	341,774	-
Revenues and Other Sources					
(Over) Under Expenditures	\$ -	\$ 1,155,479	2,913,835	\$ 4,069,314	\$ 4,069,314
Fund Balance, Appropriated	-				
Net change in fund balance	\$ -				
Fund balance, beginning			1,155,479		
Fund balance, ending			\$ 4,069,314		

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND -NORTH PARK POOL PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2021

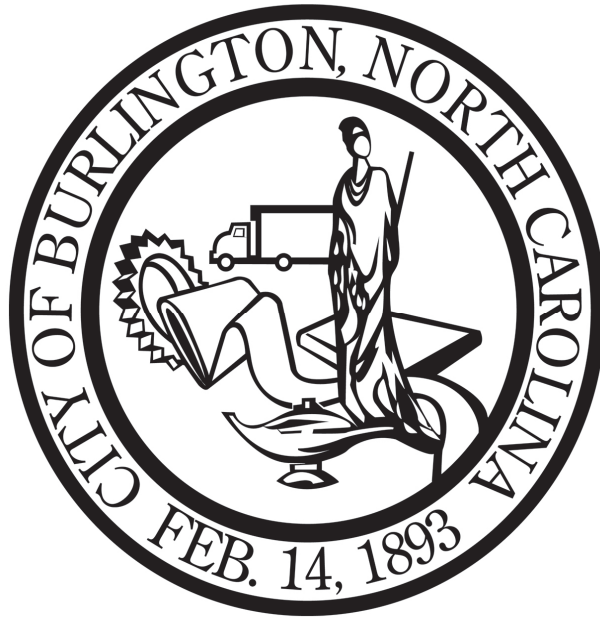
		Actual			Variance
	Project Authorization	In Prior Years	Current Year	Total To Date	Positive (Negative)
Revenues:					
Donations	\$ 200,000	\$ 200,000	\$ -	\$ 200,000	\$ -
Total Revenues	200,000	200,000	-	200,000	-
Expenditures:					
Professional Services	160,103	160,103	-	160,103	-
Buildings	3,178,390	2,633,590	544,800	3,178,390	-
Capital-Other Imprmnts	74,957	22,046	52,911	74,957	-
Contingency	75,952	-	75,952	75,952	-
Total Expenditures	3,489,402	2,815,739	673,663	3,489,402	-
Revenues Over (Under) Expenditures	(3,289,402)	(2,615,739)	(673,663)	(3,289,402)	-
Other Financing Sources (Uses):					
Transfers to other funds	(138,598)	-	(138,598)	(138,598)	-
Operating Transfers In	3,428,000	3,428,000	-	3,428,000	-
Total Other Financing Sources	3,289,402	3,428,000	(138,598)	3,289,402	-
Revenues and Other Sources (Over) Under Expenditures	\$ -	\$ 812,261	(812,261)	\$ -	\$ -
Fund Balance, Appropriated	-				
Net change in fund balance	\$ -				
Fund balance, beginning			812,261		
Fund balance, ending			\$ -		

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND -STREET RESURFACING
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2021

		Actual			
	Project Authorization	Reported In Prior Years	Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
Interest on Investments	\$ -	\$ -	\$ 6,152	\$ 6,152	\$ 6,152
Total Revenues	-	-	6,152	6,152	6,152
Expenditures:					
Paving at East/South WWTP	600,000	-	479,550	479,550	120,450
Street Resurfacing/Patching	1,800,000	-	1,507,483	1,507,483	292,517
Total Expenditures	2,400,000	-	1,987,033	1,987,033	412,967
Revenues Over (Under) Expenditures	(2,400,000)	-	(1,980,881)	(1,980,881)	419,119
Other Financing Sources (Uses):					
Transfers from other funds					
General Fund	900,000	900,000	-	900,000	-
Water Resources	600,000	565,000	-	565,000	35,000
Transportation Sidewalk	900,000	900,000	-	900,000	-
Total Other Financing Sources	2,400,000	2,365,000	-	2,365,000	35,000
Revenues and Other Sources (Over) Under Expenditures	\$ -	\$ 2,365,000	(1,980,881)	\$ 384,119	\$ 384,119
Fund Balance, Appropriated	-				
Net change in fund balance	\$ -				
Fund balance, beginning			2,365,000		
Fund balance, ending			\$ 384,119		

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND -GENERAL FUND CAPITAL PROJECTS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2021

		Actual			Variance
	Project	In Prior	Current	Total	Positive
	Authorization	Years	Year	To Date	(Negative)
Revenues:					
Proceeds from					
Installment Financing	\$ 1,949,360	\$ -	\$ 1,949,360	\$ 1,949,360	\$ -
Total Revenues	1,949,360	-	1,949,360	1,949,360	-
Expenditures:					
Issuance Costs	19,360	-	1,268	1,268	18,092
Buildings-FS HQ HVAC	125,000	-	-	-	125,000
Buildings-City Hall Chiller	140,000	-	-	-	140,000
City Hall Front Landing	125,000	-	-	-	125,000
FS#2 Driveway/wall	100,000	-	-	-	100,000
Church Street Stamping	140,000	-	140,000	140,000	-
Fairchild Fields Poles/Light	400,000	-	388,975	388,975	11,025
Vehicles	750,000	-	-	-	750,000
Contingency	150,000	-	16,181	16,181	133,819
Total Expenditures	1,949,360	-	546,424	546,424	1,402,936
Revenues Over (Under)					
Expenditures	-	-	1,402,936	1,402,936	1,402,936
Other Financing Sources:					
Transfers from other funds					
Operating Transfer In	-	-	-	-	-
Total Other Financing					
Sources	-	-	-	-	-
Revenues and Other Sources					
(Over) Under Expenditures	\$ -	\$ -	1,402,936	\$ 1,402,936	\$ 1,402,936
Fund Balance, Appropriated	-				
Net change in fund balance	\$ -				
Fund balance, beginning			-		
Fund balance, ending			\$ 1,402,936		



ENTERPRISE FUNDS
Individual Fund Schedules

CITY OF BURLINGTON, NORTH CAROLINA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2021

	Public Transportation Fund	Storm Water Fund	Totals
ASSETS			
Current:			
Cash and cash equivalents	\$ 2,075,266	\$ 5,368,717	\$ 7,443,983
Accounts receivable, net	24,999	294,056	319,055
Inventory	-	-	-
Due from other funds	-	-	-
Total current assets	2,100,265	5,662,773	7,763,038
Noncurrent:			
Construction in progress			-
Depreciable capital assets, net	1,355,422	880,885	2,236,307
Total capital assets, net	1,355,422	880,885	2,236,307
Total Assets	3,455,687	6,543,658	9,999,345
Deferred Outflows of Resources			
Contributions to pension plan	-	144,158	144,158
LIABILITIES AND FUND BALANCES:			
Current:			
Accounts payable and accrued liabilities	\$ 4,367,396	\$ 25,392	\$ 4,392,788
Compensated absences	1,309	1,973	3,282
Due to other funds			-
Total current liabilities	4,368,705	27,365	4,396,070
Noncurrent:			
Pension liability	-	268,971	268,971
Compensated absences	3,928	5,919	9,847
Total noncurrent liabilities	3,928	274,890	278,818
Total Liabilities	4,372,633	302,255	4,674,888
Deferred Inflows of Resources			
Pension deferrals	-	3516	3,516
Fund Balances			
Net investment in capital assets	1,355,422	880,885	2,236,307
Unrestricted	(2,272,368)	5,501,160	3,228,792
	-	-	-
Total Net Position	\$ (916,946)	\$ 6,382,045	5,465,099

CITY OF BURLINGTON
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND NET POSITION
For The Fiscal Year Ended June 30, 2021

	Public Transportation Fund	Stormwater Fund	Totals
Operating Revenues:			
Charges for services	\$ 35,614	\$ 1,745,423	\$ 1,781,037
Other operating revenues	240,847	62,890	303,737
Total Operating Revenues	276,461	1,808,313	2,084,774
Operating Expenses:			
Administration	98,587	480,180	578,767
Operating expenditures	1,232,784	428,983	1,661,767
Depreciation	195,528	61,897	257,425
Total Operating Expenses	1,526,899	971,060	2,497,959
Operating income (loss)	(1,250,438)	837,253	(413,185)
Non-Operating Revenues (Expenses):			
Interest on investments	-	32,709	32,709
Income (loss) before capital contributions and transfers	(1,250,438)	869,962	(380,476)
Loss on disposal of fixed assets	-	(47,963)	(47,963)
Transfers to other funds	-	-	-
Transfers from other funds	2,490,800	-	2,490,800
Change in net position	1,240,362	821,999	2,062,361
Total net position - beginning	(2,157,308)	5,560,046	3,402,738
Total net position, ending	\$ (916,946)	\$ 6,382,045	\$ 5,465,099

CITY OF BURLINGTON, NORTH CAROLINA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
For The Fiscal Year Ended June 30, 2021

	Public Transportation Fund	Storm Water Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 281,699	\$ 1,835,743	\$ 2,117,442
Cash paid for goods and services	670,308	(538,892)	131,416
Cash paid to or on behalf of employees for services	(102,007)	(359,871)	(461,878)
Net cash provided by operating activities	850,000	936,980	1,786,980
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Increase (decrease) in interfund payables	-	-	-
Transfers from other funds	2,490,800	-	2,490,800
Transfers to other funds	-	-	-
Total cash flows provided by noncapital financing activities	2,490,800	-	2,490,800
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(1,276,352)	(370,751)	(1,647,103)
Net cash used by capital and related financing activities	(1,276,352)	(370,751)	(1,647,103)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	-	33,419	33,419
Net increase in cash and cash equivalents	2,064,448	599,648	2,664,096
Balances-beginning of the year	10,818	4,769,069	4,779,887
Balances-end of the year	2,075,266	5,368,717	7,443,983
Reconciliation of operating income to net cash provided by operating activities			
Operating income (loss)	(1,250,438)	837,253	(413,185)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	195,528	61,897	257,425
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	5,228	(3,162)	2,066
(Increase) decrease in deferred outflows of resources pensions	-	(132,114)	(132,114)
Increase in net pension liability	-	248,277	248,277
Increase in deferred inflows of resources pensions	-	3,255	3,255
Increase (decrease) in accounts payable and accrued liabilities	1,903,102	(79,317)	1,823,785
Increase (decrease) in accrued vacation payable	(3,420)	891	(2,529)
Net cash provided (used) by operating activities	\$ 850,000	\$ 936,980	\$ 1,786,980

CITY OF BURLINGTON, NORTH CAROLINA
PUBLIC TRANSPORTATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating Revenues:			
Donations/Reimb of Costs	-	-	
Alamance Co Contribution	-	-	
ACC Contribution	-	-	
Hayden Harman Contribution	-	-	
United Way Contribution	-	-	
Transit Vehicle Tax	49,918	240,847	
State Development Grant	-	-	
Federal Reimbursement	2,650,269	-	
Gibsonville Reimbursement	-	-	
PART Card Sales	-	-	
State Smap Funds	159,705	-	
Fare Box Revenue	-	34,982	
\$1 and Replacement Cards	-	632	
Total Operating Revenues	<u>2,859,892</u>	<u>276,461</u>	<u>(2,583,431)</u>
Nonoperating Revenues:			
Other fees and charges	-	-	
Total Nonoperating Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>2,859,892</u>	<u>276,461</u>	<u>(2,583,431)</u>
Expenditures:			
Salaries and employee benefits	234,447	102,007	
Operating expenditures	1,732,275	1,232,784	
Capital Outlay	58,530	-	
Total Expenditures	<u>2,025,252</u>	<u>1,334,791</u>	<u>690,461</u>
Revenues Over (Under) Expenditures	<u>834,640</u>	<u>(1,058,330)</u>	<u>(1,892,970)</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
PUBLIC TRANSPORTATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2021

<hr/>			
Other Financing Sources (Uses):			
Transfers from other funds:			
General Fund	-	-	-
Transfers to other funds:			
Transportation Sdwks & Inters Impr	(850,000)	(850,000)	-
Workmen's Compensation			
Self Insurance Fund	-	-	-
Water Capital Reserve	-	-	-
Sewer Capital Reserve	-	-	-
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(850,000)	(850,000)	-
	<hr/>	<hr/>	<hr/>
Revenues and Other Sources Over			
(Under) Expenditures and Other Uses	(15,360)	\$ (1,908,330)	\$ (1,892,970)
Fund Equity Appropriated	15,360		
	<hr/>		
	\$ -		
	<hr/>		
Reconciliation from budgetary basis			
(modified accrual) to full accrual:			
Revenues and other sources over			
Expenditures and other uses		(1,908,330)	
Reconciling Items:			
Operating transfers (in) out		3,340,800	
Decrease in accrued vacation payable		3,420	
Capital outlay		-	
Depreciation		(195,528)	
		<hr/>	
Net Income		\$ 1,240,362	
		<hr/>	

CITY OF BURLINGTON, NORTH CAROLINA
PUBLIC TRANSPORTATION CAPITAL PROJECTS - TRANSIT CAPITAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
For The Fiscal Year Ended June 30, 2021

	Project Authorization	Actual			Variance Positive (Negative)
		Reported in Prior Years	Current Year	Total to date	
Revenues:					
Restricted					
Intergovernmental:					
Airport Donation	\$ -	\$ -	\$ -	\$ -	\$ -
Alamance County Donation	-	-	-	-	-
Miscellaneous					
Investment earnings	-	-	-	-	-
Total Revenues	-	-	-	-	-
Expenditures:					
Professional Services	-	-	-	-	-
Sidewalks	250,000	-	-	-	250,000
Transit Ped Improv Project	2,490,800	-	1,276,352	1,276,352	1,214,448
Vehicles	600,000	-	-	-	600,000
Buildings	-	-	-	-	-
Total Expenditures	3,340,800	-	1,276,352	1,276,352	2,064,448
Revenues Over (Under)					
Expenditures	(3,340,800)	-	(1,276,352)	(1,276,352)	(2,064,448)
Other Financing Sources (Uses):					
Transfers from other funds:					
Trans Sdwks & Intersect Impr	2,490,800	-	2,490,800	2,490,800	-
Transportation Fund	850,000	-	850,000	850,000	-
Transfers to other funds:					
Sewer Capital Reserve Fund	-	-	-	-	-
Total Other Financing Sources	3,340,800	-	3,340,800	3,340,800	-
Revenues and Other Sources					
Over (Under) Expenditures and Other Uses	\$ -	\$ -	\$ 2,064,448	\$ 2,064,448	\$ 2,064,448

CITY OF BURLINGTON, NORTH CAROLINA
STORM WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating Revenues:			
Stormwater Fees	1,733,007	1,745,423	
Permit Fees	-	1,515	
Grants/Reimbursements	-	24,700	
Stormwater Cost Share Prog	-	36,675	
Total Operating Revenues	<u>1,733,007</u>	<u>1,808,313</u>	<u>75,306</u>
Nonoperating Revenues:			
Other fees and charges	-	32,709	
Total Nonoperating Revenues	<u>-</u>	<u>32,709</u>	<u>32,709</u>
Total Revenues	<u>1,733,007</u>	<u>1,841,022</u>	<u>108,015</u>
Expenditures:			
Salaries and employee benefits	408,114	359,871	
Operating expenditures	480,800	415,580	
Capital Improvements	948,750	370,751	
Engineering/professional fees	100,000	13,403	
Equipment	-	-	
Total Expenditures	<u>1,937,664</u>	<u>1,159,605</u>	<u>778,059</u>
Revenues Over (Under) Expenditures	<u>(204,657)</u>	<u>681,417</u>	<u>886,074</u>
Other Financing Sources (Uses)			
Transfer from other funds:			
Mebane St/Grand Oaks	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(204,657)</u>	<u>\$ 681,417</u>	<u>\$ 886,074</u>
Fund Equity Appropriated	<u>204,657</u>		
	<u>\$ -</u>		

Reconciliation fFrom Budgetary Basis (Modified Accrual)
to Full Accrual:

Revenues and other sources over expeditures and other uses	681,417
Reconciling Items:	
Capital Outlay	370,751
Increase in accrued vacation payable	(891)
Increase in deferred outflows of resources - pensions	132,114
Increase in deferred inflows of resources - pensions	(3,255)
Increase in pension liability	(248,277)
Loss on disposal of fixed asset	(47,963)
Depreciation	(61,897)
Net Income	<u>821,999</u>

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating Revenues:			
Water sales	13,777,294	13,122,420	
Sewer charges	16,695,613	16,972,539	
Water taps	150,000	408,521	
Sewer taps	25,000	70,107	
Total Operating Revenues	<u>30,647,907</u>	<u>30,573,587</u>	<u>(74,320)</u>
Nonoperating Revenues:			
Interest on investments	125,111	369,462	
Interest on assessments	2,700	6,374	
Miscellaneous	280,620	518,859	
Water and sewer assessments	-	(36,227)	
Water line assessments	-	(868)	
Sewer line assessments	-	(6,021)	
Water connection fees	-	-	
Sewer connection fees	-	(300)	
State Grant	-	-	
Other fees and charges	131,500	414,233	
Total Nonoperating Revenues	<u>539,931</u>	<u>1,265,512</u>	<u>725,581</u>
Total Revenues	<u>31,187,838</u>	<u>31,839,099</u>	<u>651,261</u>
Expenditures:			
Building and Administrative-Water:			
Salaries and employee benefits	864,104	708,192	
Operating expenditures	704,572	623,599	
Reimbursement to General Fund	2,300,000	2,300,000	
Total	<u>3,868,676</u>	<u>3,631,791</u>	<u>236,885</u>
Customer Services:			
Salaries and employee benefits	601,378	566,433	
Maintenance	497,107	341,407	
Other operating expenditures	871,465	1,056,442	
Total	<u>1,969,950</u>	<u>1,964,282</u>	<u>5,668</u>

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (continued):			
Supervision:			
Salaries and employee benefits	324,192	331,099	
Maintenance	34,000	27,284	
Other operating expenditures	65,200	48,366	
Total	<u>423,392</u>	<u>406,749</u>	<u>16,643</u>
Water Line-Maintenance and Repairs:			
Salaries and employee benefits	491,600	418,983	
Maintenance	218,500	204,425	
Other operating expenditures	74,800	49,694	
Total	<u>784,900</u>	<u>673,102</u>	<u>111,798</u>
Water Line Service and Construction:			
Salaries and employee benefits	202,623	185,227	
Maintenance	81,000	76,540	
Other operating expenditures	113,200	111,406	
Materials - taps	115,000	145,006	
Materials - lines	40,000	40,489	
Total	<u>551,823</u>	<u>558,668</u>	<u>(6,845)</u>
Sewer Line-Maintenance and Repairs:			
Salaries and employee benefits	288,936	368,623	
Maintenance	232,500	238,794	
Other operating expenditures	143,550	57,620	
Total	<u>664,986</u>	<u>665,037</u>	<u>(51)</u>
Sewer Line Service and Construction:			
Salaries and employee benefits	125,407	52,765	
Other operating expenditures	117,625	66,057	
Materials - taps	35,000	24,133	
Materials - lines	60,000	42,829	
Total	<u>338,032</u>	<u>185,784</u>	<u>152,248</u>

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (continued):			
Supervision:			
Salaries and employee benefits	651,156	619,012	
Maintenance	19,000	31,236	
Other operating expenditures	<u>338,150</u>	<u>208,442</u>	
Total	<u>1,008,306</u>	<u>858,690</u>	<u>149,616</u>
Water Sources-Protection:			
Salaries and employee benefits	53,769	54,061	
Utilities	105,000	94,495	
Maintenance	57,500	35,680	
Other operating expenditures	<u>23,900</u>	<u>16,700</u>	
Total	<u>240,169</u>	<u>200,936</u>	<u>39,233</u>
Ed Thomas Water Plant:			
Salaries and employee benefits	675,741	660,464	
Chemicals	540,000	609,551	
Utilities	210,000	166,061	
Maintenance	159,800	185,806	
Other operating expenditures	<u>25,350</u>	<u>24,799</u>	
Total	<u>1,610,891</u>	<u>1,646,681</u>	<u>(35,790)</u>
Lake Mackintosh Water Plant:			
Salaries and employee benefits	637,685	608,432	
Chemicals	505,000	492,270	
Utilities	210,000	200,332	
Maintenance	350,000	298,447	
Other operating expenditures	<u>54,500</u>	<u>36,392</u>	
Total	<u>1,757,185</u>	<u>1,635,873</u>	<u>121,312</u>
South Burlington Waste Treatment Plant:			
Salaries and employee benefits	700,719	664,223	
Chemicals	140,000	111,387	
Utilities	505,000	401,054	

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (continued):			
Maintenance	740,000	830,189	
Other operating expenditures	<u>52,550</u>	<u>44,483</u>	
Total	<u>2,138,269</u>	<u>2,051,336</u>	<u>86,933</u>
East Burlington Waste Treatment Plant:			
Salaries and employee benefits	856,641	802,197	
Chemicals	175,000	184,366	
Utilities	350,000	327,850	
Maintenance	950,000	1,100,123	
Other operating expenditures	55,725	63,571	
Sludge disposal	<u>198,500</u>	<u>174,830</u>	
Total	<u>2,585,866</u>	<u>2,652,937</u>	<u>(67,071)</u>
Laboratories:			
Salaries and employee benefits	435,440	388,844	
Maintenance	54,500	46,970	
Other operating expenditures	<u>165,050</u>	<u>208,736</u>	
Total	<u>654,990</u>	<u>644,550</u>	<u>10,440</u>
Plants Maintenance:			
Salaries and employee benefits	717,268	687,066	
Maintenance	106,500	120,441	
Other operating expenditures	<u>379,775</u>	<u>333,880</u>	
Total	<u>1,203,543</u>	<u>1,141,387</u>	<u>62,156</u>
Lakes and Marinas:			
Salaries and employee benefits	400,467	364,617	
Utilities	30,800	18,997	
Maintenance	20,470	92,932	
Other operating expenditures	<u>51,539</u>	<u>46,533</u>	
Total	<u>503,276</u>	<u>523,079</u>	<u>(19,803)</u>

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Debt Service:			
Principal Water bonds	689,020	689,020	
Interest Water bonds	406,804	406,399	
Principal Sewer bonds	1,045,980	1,045,980	
Interest Sewer bonds	995,225	994,640	
	<u>3,137,029</u>	<u>3,136,039</u>	<u>990</u>
Capital Outlay:			
Water lines	957,200	430,259	
Miscellaneous water	1,027,570	753,694	
Sewer lines	1,092,000	671,658	
Miscellaneous sewer	959,000	335,437	
Miscellaneous water & sewer	78,000	76,482	
	<u>4,113,770</u>	<u>2,267,530</u>	<u>1,846,240</u>
Total Expenditures	<u>27,555,053</u>	<u>24,844,451</u>	<u>2,710,602</u>
Revenues Over (Under) Expenditures	<u>3,632,785</u>	<u>6,994,648</u>	<u>3,361,863</u>
Other Financing Sources (Uses):			
Transfer from other funds:			
Jordan Lake Rules			-
Stony Creek Lake Cammack			-
Jordan Lake Rules #2			-
Transfers to other funds:			
Group Health	(161,424)	(161,424)	-
Little Alamance Creek/Faucette Ln	(2,065,000)	(2,065,000)	-
Workmen's Compensation Self Insuranc	(380,502)	(380,502)	-
Water Capital Reserve	(647,412)	(340,047)	307,365
Sewer Capital Reserve	(647,412)	(340,046)	307,366
	<u>(3,901,750)</u>	<u>(3,287,019)</u>	<u>614,731</u>
Total Other Financing Sources (Uses)	<u>(3,901,750)</u>	<u>(3,287,019)</u>	<u>614,731</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(268,965)</u>	<u>\$ 3,707,629</u>	<u>\$ 3,976,594</u>
Fund Equity Appropriated	<u>268,965</u>		
	<u>\$ -</u>		

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER CAPITAL PROJECTS - WATER CAPITAL RESERVE FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Investment Earnings		114,230	114,230
Total Revenues	-	114,230	114,230
Expenditures:			
Capital Outlay	340,047	-	340,047
Total Expenditures	340,047	-	340,047
Revenues Over (Under) Expenditures	(340,047)	114,230	454,277
Other Financing Sources (Uses):			
Transfer from other funds:			
Water and Sewer Fund	340,047	340,047	-
Hwy 87 Ossipee Water Line	-	-	-
Transfer to other funds:			
JD Mackintosh Trtmnt Process	(16,975)	(16,975)	-
Adv Meter Infrastructure Rplcmnt	(4,000,000)	(4,000,000)	-
Total Other Financing Sources (Uses)	(3,676,928)	(3,676,928)	-
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(4,016,975)	<u>\$ (3,562,698)</u>	<u>\$ 454,277</u>
Fund balance Appropriated	<u>4,016,975</u>		
Net change in fund balance	<u>\$ -</u>		
Fund balance, beginning		<u>16,276,008</u>	
Fund balance, ending		<u>\$ 12,713,310</u>	

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER CAPITAL PROJECTS - SEWER CAPITAL RESERVE FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Investment Earnings	<u> </u>	<u>169,529</u>	<u>169,529</u>
Total Revenues	<u> - </u>	<u>169,529</u>	<u>169,529</u>
Expenditures:			
Capital Outlay	<u>340,046</u>	<u>-</u>	<u>340,046</u>
Total Expenditures	<u>340,046</u>	<u>-</u>	<u>340,046</u>
Revenues Over (Under) Expenditures	<u>(340,046)</u>	<u>169,529</u>	<u>509,575</u>
Other Financing Sources (Uses):			
Transfer to other funds:			
Sewer Expansion/Airport	-	-	-
Transfer from other funds:			
Water and Sewer Fund	340,046	340,046	-
Hwy 87 Ossipee Water Line	-	-	-
Mebane St/Grand Oaks Water	-	-	-
Total Other Financing Sources (Uses)	<u>340,046</u>	<u>340,046</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	<u>\$ 509,575</u>	<u>\$ 509,575</u>
Fund balance Appropriated	<u>-</u>		
Net change in fund balance	<u>\$ -</u>		
Fund balance, beginning		<u>14,715,337</u>	
Fund balance, ending		<u>\$ 15,224,912</u>	

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER CAPITAL PROJECTS - TANK REMOVAL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
From Inception And For The Fiscal Year Ended June 30, 2021

		Actual			Variance
	Project	Prior	Current	Total	Positive
	Authorization	Years	Costs	to date	(Negative)
Revenues:					
Restricted					
Intergovernmental:					
UST					
reimbursement	\$ 335,000	\$ 502,754	\$ -	\$ 502,754	\$ 167,754
Miscellaneous					
Investment earnings	-	2,818	-	2,818	2,818
Sales tax refunds	-	520	-	520	520
Total Revenues	335,000	506,092	-	506,092	171,092
Expenditures:					
Tank Removal	835,000	866,696	-	866,696	(31,696)
Utilities	-	9,521	-	9,521	(9,521)
Remediation	120,600	-	-	-	120,600
Total Expenditures	955,600	876,217	-	876,217	79,383
Revenues Over (Under)					
Expenditures	(620,600)	(370,125)	-	(370,125)	250,475
Other Financing Sources (Uses):					
Transfers from other funds:					
Water Capital Reserve Fund	500,000	500,000	-	500,000	-
Capital Reserve Fund	120,600	120,600	-	120,600	-
Total Other Financing					
Sources	620,600	620,600	-	620,600	-
Revenues and Other Sources					
Over (Under) Expenditures and	\$ -	\$ 250,475	\$ -	\$ 250,475	\$ 250,475
Other Uses					

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER CAPITAL PROJECTS - SEWER SERV EXPANSION/AIRPORT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
For The Fiscal Year Ended June 30, 2021

		Actual			Variance
	Project Authorization	Prior Years	Current Costs	Total to date	Positive (Negative)
Revenues:					
Restricted					
Intergovernmental:					
Airport Donation	167,000	\$ -	-	\$ -	(167,000)
Alamance County Donation	100,000	-	-	-	(100,000)
Total Revenues	267,000	-	-	-	(267,000)
Expenditures:					
Airport Sewer Expansion	506,200	7,512	442,104	449,616	56,584
	-	-	-	-	-
Total Expenditures	506,200	7,512	442,104	449,616	56,584
Revenues Over (Under)					
Expenditures	(239,200)	(7,512)	(442,104)	(449,616)	(210,416)
Other Financing Sources (Uses):					
Transfers from other funds:					
Sewer Capital Reserve Fund	239,200	239,200	-	239,200	-
Transfers to other funds:					
Sewer Capital Reserve Fund	-	-	-	-	-
Total Other Financing Sources	239,200	239,200	-	239,200	-
Revenues and Other Sources					
Over (Under) Expenditures and Other Uses	\$ -	\$ 231,688	\$ (442,104)	\$ (210,416)	\$ (210,416)

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER CAPITAL PROJECTS - J D MACKINTOSH TREATMENT PROCESS
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
For The Fiscal Year Ended June 30, 2021

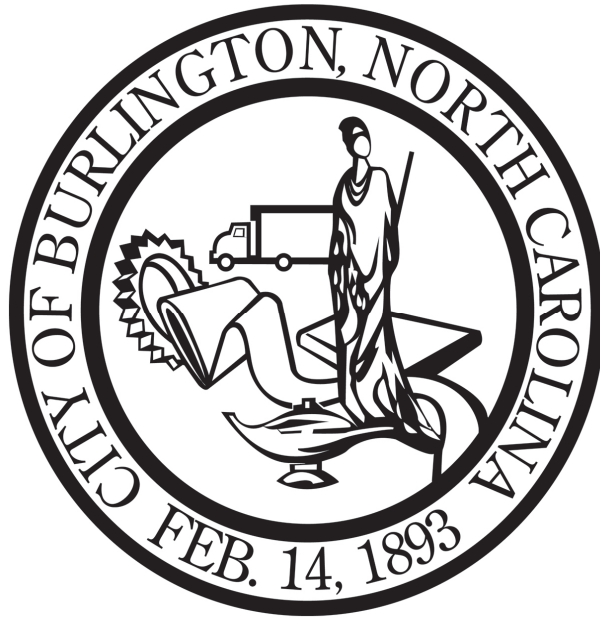
	Project Authorization	Actual			Variance Positive (Negative)
		Reported in Prior Years	Current Year	Total to date	
Revenues:					
Restricted					
Intergovernmental:					
Airport Donation	\$ -	\$ -	\$ -	\$ -	\$ -
Alamance County Donation	-	-	-	-	-
Miscellaneous					
Investment earnings	-	-	774	774	774
Total Revenues	-	-	774	774	774
Expenditures:					
Professional Services	621,175	190,981	241,910	432,891	188,284
Buildings	2,821,000	-	2,547,971	2,547,971	273,029
Total Expenditures	3,442,175	190,981	2,789,881	2,980,862	461,313
Revenues Over (Under) Expenditures	(3,442,175)	(190,981)	(2,789,107)	(2,980,088)	462,087
Other Financing Sources (Uses):					
Transfers from other funds:					
Water & Sewer Fund	1,300,000	1,300,000	-	1,300,000	-
Water Capital Reserve	2,142,175	2,125,200	16,975	2,142,175	-
Transfers to other funds:					
Sewer Capital Reserve Fund	-	-	-	-	-
Total Other Financing Sources	3,442,175	3,425,200	16,975	3,442,175	-
Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 3,234,219	\$ (2,772,132)	\$ 462,087	\$ 462,087

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER CAPITAL PROJECTS - ADV METER INFRASTRUCTURE RPLCM FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
For The Fiscal Year Ended June 30, 2021

	Project Authorization	Actual			Variance Positive (Negative)
		Reported in Prior Years	Current Year	Total to date	
Revenues:					
Miscellaneous					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-	-
Expenditures:					
Capital Infrastructure	4,000,000	-	361,497	361,497	3,638,503
Total Expenditures	4,000,000	-	361,497	361,497	3,638,503
Revenues Over (Under) Expenditures	(4,000,000)	-	(361,497)	(361,497)	(3,638,503)
Other Financing Sources (Uses):					
Transfers from other funds:					
Water Capital Reserve	4,000,000	-	4,000,000	4,000,000	-
Total Other Financing Sources	4,000,000	-	4,000,000	4,000,000	-
Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ -	\$ 3,638,503	\$ 3,638,503	\$ 3,638,503

CITY OF BURLINGTON, NORTH CAROLINA
WATER AND SEWER CAPITAL PROJECTS - LITTLE ALAMANCE CREEK SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
For The Fiscal Year Ended June 30, 2021

	Project Authorization	Actual			Variance Positive (Negative)
		Reported in Prior Years	Current Year	Total to date	
Revenues:					
Miscellaneous					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-	-
Expenditures:					
Capital Infrastructure	2,065,000	-	-	-	2,065,000
Total Expenditures	2,065,000	-	-	-	2,065,000
Revenues Over (Under) Expenditures	(2,065,000)	-	-	-	(2,065,000)
Other Financing Sources (Uses):					
Transfers from other funds:					
Water Resources	2,065,000	-	2,065,000	2,065,000	-
Transportation Fund	-	-	-	-	-
Transfers to other funds:					
Sewer Capital Reserve Fund	-	-	-	-	-
Total Other Financing Sources	2,065,000	-	2,065,000	2,065,000	-
Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ -	\$ 2,065,000	\$ 2,065,000	\$ 2,065,000



INTERNAL SERVICE FUND
Combining Schedules
And Individual Fund Schedules

CITY OF BURLINGTON, NORTH CAROLINA
ALL INTERNAL SERVICE FUNDS
STATEMENT OF NET POSITION
June 30, 2021

	Dental Self Insurance Fund	Worker's comp Insurance Fund	Health Insurance Fund	Total Internal Service Fund
<hr/>				
ASSETS:				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 1,290,428	\$ 745,723	\$ 2,126,882	\$ 4,163,033
Accounts receivable	27,302	33,113	305,542	365,957
Due from other funds	-	-	-	-
Prepaid Insurance	-	-	-	-
Total Current Assets	<u>\$ 1,317,730</u>	<u>\$ 778,836</u>	<u>\$ 2,432,424</u>	<u>\$ 4,528,990</u>
LIABILITIES AND FUND BALANCES:				
CURRENT LIABILITIES:				
Accounts payable and accrued liabilities	<u>\$ 65,457</u>	<u>\$ 129,478</u>	<u>\$ 851,652</u>	<u>\$ 1,046,587</u>
Total Current Liabilities	<u>65,457</u>	<u>129,478</u>	<u>851,652</u>	<u>1,046,587</u>
NET POSITION:				
Unrestricted	<u>1,252,273</u>	<u>649,358</u>	<u>1,580,772</u>	<u>3,482,403</u>
Total Net Position	<u>\$ 1,252,273</u>	<u>\$ 649,358</u>	<u>\$ 1,580,772</u>	<u>\$ 3,482,403</u>

CITY OF BURLINGTON, NORTH CAROLINA
ALL INTERNAL SERVICE FUNDS
COMBINING SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For The Fiscal Year Ended June 30, 2021

	Dental Self Insurance Fund	Workers Compensation Self Insurance Fund	Group Health Benefits Self Insurance Fund	Total Internal Service Fund
Operating Revenues:				
Charges for services	\$ 694,466	\$ -	\$ 7,685,826	\$ 8,380,292
Total Operating Revenues	694,466	-	7,685,826	8,380,292
Operating Expenses:				
Salaries and employee benefits		220,025	214,243	434,268
Operating expenses	37,846	28,761	46,211	112,818
Claims paid, excess loss coverage and claims administration	645,176	500,326	7,833,334	8,978,836
Total Operating Expenses	683,022	749,112	8,093,788	9,525,922
Operating Income (Loss)	11,444	(749,112)	(407,962)	(1,145,630)
Non-Operating Revenues:				
Interest earned on investments	4,795	0	9,974	14,769
Total Non-Operating Revenues	4,795	0	9,974	14,769
Income (Loss) before transfers	16,239	(749,112)	(397,988)	(1,130,861)
Transfers from other funds	-	946,270	609,358	1,555,628
Change in net position	16,239	197,158	211,370	424,767
Total net position-beginning	1,236,034	452,200	1,369,401	\$ 3,057,635
Net Position, End of Year	\$ 1,252,273	\$ 649,358	\$ 1,580,771	\$ 3,482,402

CITY OF BURLINGTON, NORTH CAROLINA
 ALL INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 FINANCIAL PLAN AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2021

	Dental Self Insurance Fund	Workers Compensation Self Insurance Fund	Group Health Benefits Self Insurance Fund	Total Internal Service Fund
CASH FLOWS FROM				
OPERATING ACTIVITIES:				
Cash received from customers	\$ 691,089	\$ (1,223)	\$ 7,638,994	\$ 8,328,860
Cash paid for goods and services	(684,086)	(525,490)	(7,830,252)	(9,039,828)
Cash paid to employees	-	(220,025)	(214,243)	(434,268)
Net cash provided by operating activities	7,003	(746,738)	(405,501)	(1,145,236)
CASH FLOWS FROM				
NONCAPITAL FINANCING ACTIVITIES				
(Increase) Decrease in due from other funds	-	-	-	-
Net cash provided (used) by noncapital financing activities	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Transfer from other funds:				
General Fund	-	565,768	447,934	1,013,702
Water Resources	-	380,502	161,424	541,926
Net cash provided by capital and related financing activities	-	946,270	609,358	1,555,628
CASH FLOWS FROM				
INVESTING ACTIVITIES:				
Interest on investments	\$ 4,795	\$ -	\$ 9,974	14,769
Net cash provided by investing activities	4,795	0	9,974	14,769
Net Increase (Decrease) in Cash and Cash Equivalents	11,798	199,532	213,831	425,161
Balances - Beginning of Year	1,278,630	546,191	1,913,051	3,737,872
Balances - End of Year	1,290,428	745,723	2,126,882	4,163,033

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 ALL INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 FINANCIAL PLAN AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2021

	Dental Self Insurance Fund	Workers Compensation Self Insurance Fund	Group Health Benefits Self Insurance Fund	Total Internal Service Fund
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating income (loss)	11,444	(749,112)	(407,962)	(1,145,630)
Adjustments to reconcile operating income to net cash provided by operating activities:				
(Increase) Decrease in accounts receivable	(3,377)	(1,223)	(46,832)	(51,432)
(Increase) Decrease in prepaid insurance	-	-	-	-
Increase (Decrease) in accounts payable	(1,064)	3,597	49,292	51,825
Net cash provided by operating activities	<u>\$ 7,003</u>	<u>\$ (746,738)</u>	<u>\$ (405,502)</u>	<u>\$ (1,145,237)</u>

CITY OF BURLINGTON, NORTH CAROLINA
DENTAL SELF INSURANCE FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
FINANCIAL PLAN AND ACTUAL (NON-GAAP)
For The Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
City of Burlington	\$ -	\$ 563,109	\$ -
Employee Premium		131,357	
Total Operating Revenues	512,854	694,466	181,612
Non-Operating Revenues:			
Investment Earnings	-	4,795	4,795
Total Revenues	512,854	699,261	186,407
Expenditures:			
City of Burlington Claims		646,240	
Operating expenditures		37,846	
Total Expenditures	704,322	684,086	20,236
Revenues Over Expenditures	(191,468)	\$ 15,175	\$ 206,643
Fund balance appropriated	191,468		
Net change in fund balance	-		

Reconciliation From Financial Plan Basis (Modified Accrual) to Full Accrual Basis:

Revenues Over Expenditures	\$ 15,175
Reconciling Items:	
Increase in allowance for unfilled claims	1,064
Net Income	\$ 16,239

CITY OF BURLINGTON, NORTH CAROLINA
 WORKERS COMPENSATION SELF INSURANCE FUND
 SCHEDULE OF REVENUES AND EXPENDITURES-
 FINANCIAL PLAN AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
City of Burlington	\$ -	-	
Total Operating Revenues	-	-	-
Non-Operating Revenues:			
Investment Earnings	-	-	-
Total Revenues	-	-	-
Expenditures:			
Salaries and employee benefits		220,025	
Operating expenditures		28,761	
Contractual services		197,158	
Workers compensation		302,338	
Safety training		830	
Total Expenditures	1,013,964	749,112	264,852
Revenues Over (Under) Expenditures	(1,013,964)	(749,112)	264,852
Other Financing Sources			
Transfers from other funds:			
General Fund		565,768	
Water and Sewer Fund		380,502	
Total Other Financing Sources	946,270	946,270	-
Revenues and Other Sources (Under) Expenditures	\$ (67,694)	197,158	\$ 264,852
Fund balance appropriated	67,694		
Net change in fund balance	-		

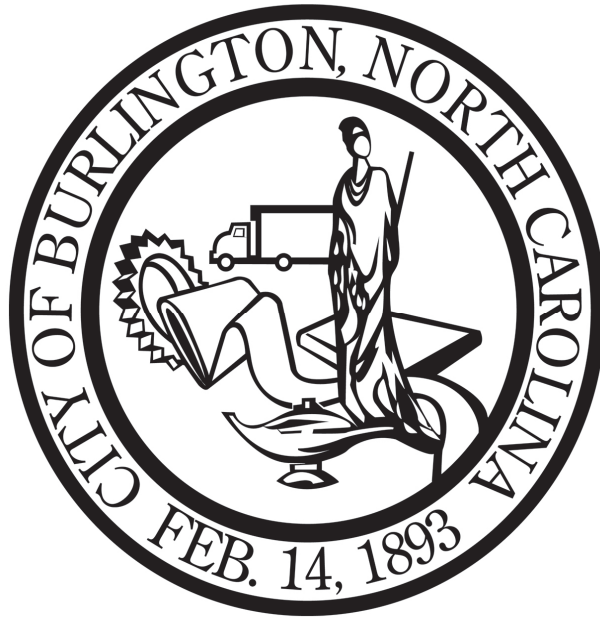
Reconciliation From Financial Plan Basis (Modified Accrual) to Full Accrual Basis:

Revenues Over (Under) Expenditures	197,158
Reconciling Items:	
Decrease in allowance for unfilled claims	-
Net Income (Loss)	197,158

CITY OF BURLINGTON, NORTH CAROLINA
GROUP HEALTH BENEFITS SELF INSURANCE FUND
SCHEDULE OF REVENUES AND EXPENDITURES-
FINANCIAL PLAN AND ACTUAL (NON-GAAP)
For The Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
City of Burlington	\$ -	\$ 6,190,797	\$ -
City of Burlington Employee Premium		1,495,029	
Total Operating Revenues	6,992,314	7,685,826	693,512
Non-Operating Revenues:	-	9,974	9,974
Total Revenues	6,992,314	7,695,800	703,486
Expenditures:			
Salaries and employee benefits		214,243	
Operating expenditures		46,211	
Third party administration		185,104	
City of Burlington Claims		7,597,050	
Total Expenditures	8,415,566	8,042,608	372,958
Revenues Over (Under) Expenditures	\$ (1,423,252)	\$ (346,808)	\$ 1,076,444
Other Financing Sources			
Transfers from other funds:			
General Fund	447,934	447,934	-
Water and Sewer Fund	161,424	161,424	-
Total Other Financing Sources	609,358	609,358	-
Revenues and Other Sources Over Expenditures	\$ (813,894)	262,550	\$ 1,076,444
Fund balance appropriated	813,894		
Net change in fund balance	\$ -		
Reconciliation From Financial Plan Basis (Modified Accrual) to Full Accrual Basis:			
Revenues Over (Under) Expenditures		262,550	
Reconciling Items:			
Increase in allowance for unfilled claims		(51,180)	
Net Income (Loss)		211,370	





OTHER SCHEDULES

OTHER SCHEDULES

This section includes additional information on property taxes and interfund transfers.

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy

CITY OF BURLINGTON, NORTH CAROLINA
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
JUNE 30, 2021

<u>Fiscal Year</u>	<u>Uncollected Balance 30-Jun-19</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance 30-Jun-20</u>
2020-2021	\$	\$ 31,526,094	\$ 31,005,269	\$ 520,825
2019-2020	577,826	-	333,551	244,275
2018-2019	219,410	-	72,858	146,551
2017-2018	130,610	-	36,973	93,637
2016-2017	101,048	-	24,736	76,311
2015-2016	78,842	-	15,523	63,319
2014-2015	74,284	-	11,198	63,086
2013-2014	82,292	-	7,850	74,442
2012-2013	85,259	-	4,278	80,981
2011-2012	66,415	-	2,467	63,948
2010-2011	64,445	-	2,555	61,890
1965-2010	234,655	-	12,838	221,818
	<u>\$ 1,715,085</u>	<u>\$ 31,526,094</u>	<u>\$ 31,530,096</u>	<u>\$ 1,711,084</u>
Less: Allowance for uncollectible accounts:				
General Fund				(722,952)
Special Revenue Fund				(45,287)
Ad Valorem Taxes Receivable - Net				<u>\$ 942,845</u>
<u>Reconciliation with Revenues:</u>				
Taxes - ad valorem - General Fund			\$ 31,538,240	
Taxes - ad valorem - Special Revenue Fund			<u>137,353</u>	
Total				31,675,593
Reconciling Items:				
Discounts allowed			84,235	
Interest collected			(140,178)	
Taxes written off			<u>(89,554)</u>	
Total Collections and Credits			<u>\$ 31,530,096</u>	

CITY OF BURLINGTON, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
CITY WIDE LEVY
For the Fiscal Year Ended June 30, 2021

	Total Levy				
	City-Wide			Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
	Property Valuation	Rate per \$100	Total Levy		
City-Wide Levy:					
Original Levy:					
Property taxed at current year's rate	\$ 5,216,834,611	0.5973	\$ 31,160,153	\$ 28,011,023	\$ 3,149,130
Penalties	-		35,865	35,865	-
Total	5,216,834,611		31,196,018	28,046,888	3,149,130
Discoveries:					
Current year taxes	122,855,168	0.5973	733,814	733,814	-
Prior year taxes	-		-	-	-
Penalties	-		-	-	-
Total	122,855,168		733,814	733,814	-
Abatements and Adjustments:					
Advertising, interest and adjustments	(1,389,374)		(8,299)	(8,299)	-
Abatements	(55,725,779)	0.5973	(332,850)	(332,850)	-
Total	(57,115,153)		(341,149)	(341,149)	-
Total Property Valuation	<u>\$ 5,282,574,626</u>				
Net City Wide levy			31,588,683	28,439,553	3,149,130
Uncollected Taxes at June 30, 2021			(520,087)	(492,972)	(27,115)
Current Year's Taxes Collected			<u>\$ 31,068,596</u>	<u>\$ 27,946,581</u>	<u>\$ 3,122,015</u>
Current City-Wide Levy Collection Percentage			<u>98.35%</u>	<u>98.27%</u>	<u>99.14%</u>
Downtown Special Tax District:					
Original Levy:					
Property taxed at current year's rate	\$ 79,258,146	0.1700	\$ 134,739	\$ 133,519	\$ 1,219
Penalties	-		113	113	-
Discoveries:					
Current year taxes	-		-	-	-
Abatements and Adjustments:					
Abatements	-		-	-	-
Total Property Valuation	<u>\$ 79,258,146</u>				
Net Downtown Special Tax District Levy			134,851	133,632	1,219
Uncollected Taxes at June 30, 2021			(738)	(738)	-
Current Year's Taxes Collected			<u>\$ 134,114</u>	<u>\$ 132,894</u>	<u>\$ 1,219</u>
Current Downtown Special Tax District Levy Collection Percentage			<u>99.45%</u>	<u>99.45%</u>	<u>100.00%</u>



Statistical Section

This part of the City of Burlington's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	141-148
Revenue Capacity These schedules contain information to help the reader assess the city's most significant revenue source, the property tax.	150-152
Debt Capacity These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	153-157
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	158-159
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	160-162

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

Schedule 1
City of Burlington, North Carolina
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Governmental activities				
Net investment in capital assets	\$ 68,295,851	\$ 70,063,091	\$ 66,803,442	\$ 63,335,497
Restricted	18,201,746	18,634,319	18,886,043	17,333,258
Unrestricted	9,167,606	3,724,929	7,405,183	16,974,595
Total governmental activities net position	<u>\$ 95,665,203</u>	<u>\$ 92,422,339</u>	<u>\$ 93,094,668</u>	<u>\$ 97,643,350</u>
Business-type activities				
Net investment in capital assets	\$ 113,788,624	\$ 111,813,220	\$ 114,233,400	\$ 116,139,450
Restricted	34,143,873	34,941,073	31,855,331	28,736,279
Unrestricted	48,921,617	44,336,126	42,795,042	40,113,775
Total business-type activities net position	<u>\$ 196,854,114</u>	<u>\$ 191,090,419</u>	<u>\$ 188,883,773</u>	<u>\$ 184,989,504</u>
Primary government				
Net investment in capital assets	\$ 182,084,475	\$ 181,876,311	\$ 181,036,842	\$ 179,474,947
Restricted	52,345,619	53,575,392	50,741,374	46,069,537
Unrestricted	58,089,223	48,061,055	50,200,225	57,088,370
Total primary government net position	<u>\$ 292,519,317</u>	<u>\$ 283,512,758</u>	<u>\$ 281,978,441</u>	<u>\$ 282,632,854</u>

Fiscal Year					
<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 61,866,098	\$ 58,866,501	\$ 53,722,717	\$ 49,762,940	\$ 48,383,850	\$ 44,355,341
15,836,565	13,429,638	14,069,943	19,635,641	18,392,387	17,287,399
40,729,902	50,297,700	54,267,735	49,905,470	49,958,695	54,423,395
<u>\$ 118,432,565</u>	<u>\$ 122,593,839</u>	<u>\$ 122,060,395</u>	<u>\$ 119,304,051</u>	<u>\$ 116,734,932</u>	<u>\$ 116,066,135</u>
\$ 117,000,177	\$ 115,837,458	\$ 114,539,725	\$ 107,207,635	\$ 105,523,250	\$ 85,748,070
24,824,561	21,486,577	19,469,499	21,186,874	17,544,176	35,544,241
41,868,527	39,876,986	35,033,434	36,428,343	34,109,701	33,404,248
<u>\$ 183,693,265</u>	<u>\$ 177,201,021</u>	<u>\$ 169,042,658</u>	<u>\$ 164,822,852</u>	<u>\$ 157,177,127</u>	<u>\$ 154,696,559</u>
\$ 178,866,275	\$ 174,703,959	\$ 168,262,442	\$ 156,970,575	\$ 153,907,100	\$ 130,103,411
40,661,126	34,916,215	33,539,442	40,822,515	35,936,563	52,831,640
82,598,429	90,174,686	89,301,169	86,333,813	84,068,396	87,827,643
<u>\$ 302,125,830</u>	<u>\$ 299,794,860</u>	<u>\$ 291,103,053</u>	<u>\$ 284,126,903</u>	<u>\$ 273,912,059</u>	<u>\$ 270,762,694</u>

Schedule 2
City of Burlington, North Carolina
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenses										
Governmental activities:										
General government										
Public safety	\$ 9,855,069	\$ 9,613,503	\$ 9,124,412	\$ 8,575,711	\$ 8,666,518	\$ 8,929,272	\$ 8,483,588	\$ 9,149,871	\$ 9,309,902	\$ 8,586,996
Public works	32,789,701	31,191,548	29,930,082	28,890,052	28,337,065	26,462,848	25,860,337	22,743,048	23,113,039	20,992,476
Economic and physical development	11,834,268	13,685,136	13,252,142	13,052,857	12,118,548	10,183,802	8,334,201	11,131,728	8,760,799	9,857,328
Cultural and recreation	2,708,188	1,163,416	1,105,682	922,133	1,112,715	3,007,984	1,880,541	1,474,928	1,368,876	1,574,410
Interest on long-term debt	5,410,416	7,855,028	8,366,409	8,119,854	8,378,403	8,014,310	7,512,715	6,957,606	6,993,217	6,675,802
Total governmental activities expenses	359,199	86,155	95,111	67,660	51,076	68,461	331,290	363,756	1,378,315	766,290
Total governmental activities expenses	62,956,841	63,594,786	61,873,838	59,628,267	58,664,325	56,666,677	52,402,672	51,820,937	50,924,148	48,453,302
Business-type activities:										
Non-major enterprise funds										
Water and sewer	2,497,959	2,683,069	2,355,000	2,075,238	1,915,455	433,571	518,104	377,647	605,815	305,939
Total business-type activities expenses	27,880,372	27,898,058	26,511,118	24,035,900	26,363,685	22,989,357	23,671,729	22,143,804	22,903,847	23,462,426
Total business-type activities expenses	30,378,331	30,581,127	28,866,118	26,111,138	28,279,140	23,422,928	24,189,833	22,521,451	23,509,662	23,768,365
Total primary government expenses	\$ 93,335,172	\$ 94,175,913	\$ 90,739,956	\$ 85,739,405	\$ 86,943,465	\$ 80,089,605	\$ 76,592,505	\$ 74,342,388	\$ 74,433,810	\$ 72,221,667
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	\$ 3,062,803	\$ 2,741,289	\$ 2,556,065	\$ 2,468,385	\$ 3,049,535	\$ 1,869,455	\$ 2,942,784	\$ 2,979,252	\$ 2,688,109	\$ 2,661,120
Public safety	1,276,087	1,027,700	940,959	818,406	576,346	340,368	354,258	412,298	367,587	261,105
Public works	1,727,625	1,425,039	1,390,130	1,370,364	1,397,109	1,387,986	1,298,660	1,293,660	1,231,921	1,289,117
Economic and physical development	396,587	419,159	417,547	351,947	216,399	1,765,852	1,435,313			
Cultural and recreation	1,470,349	1,644,730	2,237,004	2,424,685	2,454,962	2,988,493	3,036,516	2,853,767	2,931,014	2,710,135
Operating grants and contributions	6,537,309	3,794,200	2,816,435	3,527,365	2,528,586	2,837,797	7,184,961	5,555,035	3,691,258	3,776,954
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	14,470,760	11,052,117	10,358,140	10,961,152	10,222,937	11,189,951	16,252,492	13,094,012	10,909,889	10,698,431

Business-type activities:**Charge for services:**

Non-major enterprise funds	2,084,774	2,889,030	2,101,673	2,083,675	2,270,980	1,098,704	900,066	572,676	456,437	450,521
Water and sewer	31,469,637	30,034,324	31,057,981	29,183,476	32,493,512	29,638,325	27,026,817	20,876,779	20,331,989	21,246,324
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	1,078,696	363,481	2,435,648	66,500	248,674
Total business-type activities program revenues	33,554,411	32,923,354	33,159,654	31,267,151	34,764,492	31,815,725	28,290,364	23,885,103	20,854,926	21,945,519
Total primary government program revenues	\$ 48,025,171	\$ 43,975,471	\$ 43,517,794	\$ 42,228,303	\$ 44,987,429	\$ 43,005,676	\$ 44,542,856	\$ 36,979,115	\$ 31,764,815	\$ 32,643,950

Net (Expense)/Revenue

Governmental activities	\$ (48,486,081)	\$ (52,542,669)	\$ (51,515,698)	\$ (48,667,115)	\$ (48,441,388)	\$ (45,476,726)	\$ (36,150,180)	\$ (38,726,925)	\$ (40,014,259)	\$ (37,754,871)
Business-type activities	3,176,080	2,342,227	4,293,536	5,156,013	6,485,352	8,392,797	4,100,531	1,363,652	(2,654,736)	(1,822,846)
Total primary government net expense	\$ (45,310,001)	\$ (50,200,442)	\$ (47,222,162)	\$ (43,511,102)	\$ (41,956,036)	\$ (37,083,929)	\$ (32,049,649)	\$ (37,363,273)	\$ (42,668,995)	\$ (39,577,717)

General Revenues and Other Changes in Net Position**Governmental activities:**

Taxes										
Property taxes	\$ 31,641,594	\$ 30,326,622	\$ 29,404,770	\$ 28,364,921	\$ 27,870,953	\$ 27,967,844	\$ 26,338,400	\$ 26,866,560	\$ 26,742,991	\$ 24,769,222
Other taxes	17,162,911	14,838,586	14,350,100	13,386,770	12,881,088	12,434,490	11,566,861	10,407,641	9,934,320	9,696,455
Unrestricted grants and contributions	4,700,459	4,539,502	4,805,898	4,474,051	5,176,015	4,810,731	4,413,873	3,782,273	3,494,676	3,597,285
Unrestricted Investment earnings	98,285	840,538	1,273,543	394,119	1,447,835	722,157	169,604	68,363	204,072	142,306
Miscellaneous	74,570	225,980	178,009	93,644	73,797	244,052	247,342	171,207	472,707	366,626
Transfers	(1,948,874)	1,099,112	1,469,373	80,124	1,131,061	-	-	-	-	-
Total governmental activities	51,728,945	51,870,340	51,481,693	46,793,629	48,580,749	46,179,274	42,736,080	41,296,044	40,848,766	38,571,894

Business-type activities:

Unrestricted Investment earnings	686,704	963,531	1,070,106	320,427	857,837	566,184	452,279	220,117	223,281	147,210
Miscellaneous	(47,963)	-	-	-	16,144	-	-	6,061,956	4,912,023	3,686,193
Transfers	1,948,874	(1,099,112)	(1,469,373)	(460,626)	(1,131,061)	-	-	-	-	-
Total business-type activities	2,587,615	(135,581)	(399,267)	(140,199)	(257,080)	566,184	452,279	6,282,073	5,135,304	3,833,403
Total primary government	\$ 54,316,560	\$ 51,734,759	\$ 51,082,426	\$ 46,653,430	\$ 48,323,669	\$ 46,745,458	\$ 43,188,359	\$ 47,578,117	\$ 45,984,070	\$ 42,405,297

Change in Net Position

Governmental activities	\$ 3,242,864	\$ (672,329)	\$ (34,005)	\$ (1,873,486)	\$ 139,361	\$ 702,548	\$ 6,585,900	\$ 2,569,119	\$ 834,507	\$ 817,023
Business-type activities	5,763,695	2,206,646	3,894,269	5,015,814	6,228,272	8,958,981	4,552,810	7,645,725	2,480,568	2,010,557
Total primary government	\$ 9,006,559	\$ 1,534,317	\$ 3,860,264	\$ 3,142,328	\$ 6,367,633	\$ 9,661,529	\$ 11,138,710	\$ 10,214,844	\$ 3,315,075	\$ 2,827,580

Schedule 3
City of Burlington, North Carolina
Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	Fiscal Year				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Fund					
Restricted					
Stabilization by State Statute	\$ 7,005,698	\$ 8,615,650	\$ 9,002,176	\$ 9,614,902	\$ 8,569,387
Historic Books	1,418	1,418	1,418	1,418	1,418
Animal Shelter	46,802	17,800	5,562	562	562
Daphnes Garden	25,739	-	-	-	-
PEG Support	16,482	-	-	-	-
Committed					
Capital Reserve Fund	5,308,554	4,070,628	4,047,215	5,505,961	8,183,945
Assigned					
Subsequent Years Expenditure	1,636,986	1,636,986	1,636,986	1,636,986	1,636,986
General Government	4,234,000	3,450,000	4,316,000	4,316,000	4,316,000
Parks and Recreation	2,415,897	115,897	1,694,353	1,763,652	1,836,316
Public Safety	5,620,551	5,450,000	5,950,000	5,950,000	5,950,000
Economic Development	3,000,000	2,000,000	3,000,000	3,000,000	3,000,000
Public Works	4,172,300	1,172,300	1,172,300	3,125,000	3,125,000
Unassigned	7,978,140	7,491,548	5,836,538	7,822,866	9,734,666
Total general fund	<u>41,462,567</u>	<u>34,022,227</u>	<u>36,662,548</u>	<u>42,737,347</u>	<u>46,354,280</u>
All Other Governmental Funds					
Restricted					
Stabilization by State Statute	-	-	53,580	176,524	-
Economic Development	6,448,699	6,734,888	6,597,417	6,624,716	6,635,345
Public Safety	63,394	201,273	408,917	525,440	263,393
Committed					
Capital Improvements	8,320,172	6,637,633	8,493,087	3,508,898	3,181,729
Capital Reserve Fund	-	-	-	-	-
Assigned					
Subsequent year's expenditures:	648,289	684,647	494,564	608,341	606,703
Unassigned	(260,264)	(213,037)	(2,380,170)	(122,944)	176,524
Total all other governmental funds	<u>\$ 15,220,290</u>	<u>\$ 14,045,404</u>	<u>\$ 13,667,395</u>	<u>\$ 11,320,975</u>	<u>\$ 10,863,694</u>

Note: The schedule above is after restating fund balance per GASB 54 statement.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 6,410,101	\$ 5,472,018	\$ 6,954,980	\$ 6,901,755	\$ 6,113,452
1,418	1,418	1,418	1,418	1,418
562	562	562	562	562
-	-	-	-	-
-	-	-	-	-
10,713,528	11,279,424	16,925,388	16,620,740	18,323,847
1,636,986	1,636,986	1,636,986	1,816,112	2,053,816
4,316,000	4,316,000	4,316,000	4,316,000	4,316,000
1,882,466	1,882,466	1,381,370	1,428,771	1,321,156
5,950,000	5,950,000	5,450,000	5,450,000	5,450,000
3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
3,125,000	3,125,000	3,125,000	3,125,000	3,125,000
11,212,212	12,468,373	8,881,287	7,445,326	8,211,865
48,248,273	49,132,247	51,672,991	50,105,684	51,917,116
3,893,620	-	-	-	-
3,281,786	6,762,024	6,881,935	7,178,068	7,400,720
-	460,696	497,277	396,767	345,649
1,803,057	-	1,280,743	980,769	977,891
-	4,586,098	-	-	-
196,182	447,806	468,859	483,457	491,785
-	(20,282)	(41,105)	(7,575)	(156,794)
\$ 9,174,645	\$ 12,236,342	\$ 9,087,709	\$ 9,031,486	\$ 9,059,251

Schedule 4
City of Burlington, North Carolina
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenues				
Ad valorem taxes	\$ 31,694,962	\$ 30,155,607	\$ 29,482,268	\$ 28,469,070
Other taxes and licenses	16,753,144	14,397,074	14,150,569	13,488,383
Unrestricted intergovernmental	5,199,842	4,986,872	5,327,990	5,005,877
Restricted intergovernmental	15,544,053	5,155,789	4,286,830	4,372,907
Permits and fees	1,956,028	1,732,375	1,359,289	1,406,586
Sales and services	3,962,497	3,829,017	4,116,673	4,242,068
Investment earnings	131,968	908,529	1,269,171	231,194
Miscellaneous	423,597	535,893	437,093	355,166
Total revenues	75,666,091	61,701,156	60,429,883	57,571,251
Expenditures				
General government	8,561,888	8,201,870	8,108,390	7,873,369
Public safety	28,519,450	27,704,875	27,441,553	26,440,906
Public works	10,571,995	10,253,041	10,668,069	10,150,081
Economic and physical development	2,020,820	964,550	958,027	1,603,047
Culture and recreation	6,493,871	6,985,996	7,130,866	7,161,246
Debt service:				
Principal	2,527,660	2,524,718	2,574,643	2,542,038
Interest	98,574	121,103	100,474	104,685
Capital Outlay	6,906,739	7,706,780	8,799,741	5,380,788
Total expenditures	65,700,997	64,462,933	65,781,763	61,256,160
Excess of revenues over (under) expenditures	9,965,094	(2,761,777)	(5,351,880)	(3,684,909)
Other Financing Sources (Uses)				
Transfers from other funds	1,645,238	6,023,519	5,847,694	3,258,106
Transfers to other funds	(5,149,740)	(7,480,035)	(6,448,950)	(4,853,108)
Sale of properties & materials	129,784	55,709	70,014	116,689
Capital lease obligations issued	-	-	-	-
Certificates of participation issued	-	-	-	-
Issuance of private activity bonds (RZED)	-	-	-	-
Proceeds from bond issuance	-	-	-	-
Issuance from installment purchase	2,024,850	1,900,272	2,154,743	2,015,318
Total other financing sources (uses)	(1,349,868)	499,465	1,623,501	537,005
Net change in fund balances	\$ 8,615,226	\$ (2,262,312)	\$ (3,728,379)	\$ (3,147,904)
Debt service as a percentage of noncapital expenditures	4.5%	4.7%	4.7%	4.7%

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 27,790,608	\$ 27,509,164	\$ 26,928,485	\$ 27,149,806	\$ 26,425,908	\$ 24,720,911
12,885,026	12,438,131	12,099,079	10,970,124	10,496,181	10,261,128
5,169,077	4,709,848	4,914,193	4,560,068	4,222,801	4,509,286
3,869,756	4,388,175	4,883,976	5,293,541	4,114,494	4,023,377
1,386,668	1,365,831	1,243,300	1,128,772	1,222,541	1,025,476
4,222,427	4,464,274	4,066,783	3,858,474	3,962,533	3,947,957
912,192	539,461	159,092	125,548	261,564	249,731
825,690	690,978	1,126,630	773,474	610,474	353,006
57,061,444	56,105,862	55,421,538	53,859,807	51,316,496	49,090,872
7,328,111	8,716,239	9,106,232	8,490,457	8,053,763	7,713,558
24,988,051	23,556,205	22,633,787	20,869,801	20,670,064	19,523,967
10,016,705	8,532,598	6,744,540	9,756,316	7,603,776	8,644,203
1,112,716	2,820,260	1,880,541	1,474,926	1,368,876	1,574,410
7,241,632	6,933,653	6,430,052	6,097,465	6,078,028	5,812,752
2,677,205	2,569,211	5,100,769	2,857,008	10,446,422	2,691,898
119,834	148,720	294,774	358,419	674,661	723,597
5,007,434	7,288,650	3,919,060	3,638,530	4,615,107	3,148,952
58,491,688	60,565,536	56,109,755	53,542,922	59,510,697	49,833,337
(1,430,244)	(4,459,674)	(688,217)	316,885	(8,194,201)	(742,465)
6,942,405	2,254,046	9,494,212	1,980,771	3,946,670	2,679,386
(7,825,048)	(3,784,663)	(9,807,067)	-	(4,259,526)	(3,092,241)
73,797	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,951,100	2,044,621	1,608,961	1,619,502	6,667,859	1,267,473
1,142,254	514,004	1,296,106	3,600,273	6,355,003	854,618
\$ (287,990)	\$ (3,945,670)	\$ 607,889	\$ 3,917,158	\$ (1,839,198)	\$ 112,153
5.2%	5.1%	10.3%	6.4%	20.3%	7.3%

Schedule 5
City of Burlington, North Carolina
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Real Property	Personal Property	Public Service Companies	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2021	\$ 4,039,527,683	\$ 1,196,860,781	\$ 97,036,640	\$ 50,850,478	5,282,574,626	\$ 0.5973
2020	3,881,249,148	1,205,435,850	95,397,819	47,769,517	5,134,313,300	0.5973
2019	3,902,413,986	1,056,760,501	90,915,170	47,685,801	5,002,403,856	0.5973
2018	3,835,460,441	953,896,543	86,606,619	46,983,587	4,828,980,016	0.5973
2017	3,902,573,467	902,753,713	83,838,568	47,214,196	4,841,951,552	0.5800
2016	3,853,481,630	846,150,688	81,810,460	45,606,226	4,735,836,552	0.5800
2015	3,799,919,178	812,901,629	69,230,008	45,979,608	4,636,071,207	0.5800
2014	3,719,982,981	880,157,173	65,804,603	45,882,171	4,620,062,586	0.5800
2013	3,696,580,748	725,397,303	69,134,071	46,054,536	4,445,057,586	0.5800
2012	3,577,135,670	647,804,267	68,040,422	47,077,773	4,245,902,586	0.5800

Source: Annual audited financial reports of the entity and reports of the Tax Assessor and Tax Collector for this entity.

Note: In the past, Alamance County has completed revaluations every 8 years. However, due to the growth experienced in property values, they will complete their next reval in 2023 and then every 4 years thereafter.

Schedule 6
City of Burlington, North Carolina
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Fiscal Year	City Direct Rates			Overlapping Rates	
	Basic Rate	General Obligation Debt Service	Total Direct	Downtown Corp	Alamance County
2021	\$0.54247	\$ 0.05483	\$0.59730	\$ 0.170	\$ 0.670
2020	0.54073	0.05657	0.59730	0.170	0.670
2019	0.53984	0.05746	0.59730	0.170	0.590
2018	0.53793	0.05937	0.59730	0.170	0.580
2017	0.52072	0.05928	0.58000	0.160	0.580
2016	0.52041	0.05959	0.58000	0.160	0.580
2015	0.50300	0.07689	0.58000	0.160	0.530
2014	0.50249	0.07751	0.58000	0.160	0.540
2013	0.49485	0.08100	0.58000	0.160	0.520
2012	0.49400	0.08515	0.58000	0.160	0.520

Source: City of Burlington's Finance Department

Schedule 7
City of Burlington, North Carolina
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Labcorp	\$ 202,940,427	1	3.84 %	\$ 97,529,255	1	2.30 %
Alamance Crossing LLC	68,308,298	2	1.29	56,732,998	2	1.34
Duke Energy Corp	56,551,402	3	1.07	31,393,186	4	0.74
Roche Biomedical Labs	47,873,337	4	0.91	31,682,468	3	0.75
Honda Aero/Amer Honda Motor	38,710,963	5	0.73			
Carolina Hosiery Mills	36,412,477	6	0.69	24,360,437	6	0.57
Alamance Foods	33,617,001	7	0.64			
PGS Burlington, LLC	29,286,691	8	0.55	28,778,649	5	0.68
Kayser Roth Corp	28,648,890	9	0.54			
Ethan Point LLC	28,096,593	10	0.53	22,103,353	7	0.52
Koury Properties				17,602,795	9	0.41
Huffman Mill Plaza				21,103,934	8	0.50
Alamance Indust. Park				17,198,859	10	0.41
Total	<u>\$ 570,446,079</u>		<u>10.80 %</u>	<u>\$ 348,485,934</u>		<u>8.21 %</u>

Source: City of Burlington Tax Department

Schedule 8
City of Burlington, North Carolina
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2021	\$ 31,588,683	\$31,068,596	98.35 %		31,068,596	98.35 %
2020	31,863,501	31,284,606	98.18	335,903	31,620,509	99.24
2019	29,948,102	29,547,618	98.66	247,679	29,795,297	99.49
2018	28,873,166	28,497,888	98.70	280,428	28,778,316	99.67
2017	28,098,157	27,666,328	98.46	355,828	28,022,156	99.73
2016	27,485,321	27,099,379	98.60	307,026	27,406,405	99.71
2015	26,902,971	26,541,013	98.65	292,829	26,833,842	99.74
2014	26,803,894	26,317,352	98.18	389,549	26,706,901	99.64
2013	25,789,046	25,105,830	97.35	581,216	25,687,046	99.60
2012	24,636,120	23,819,010	96.68	733,352	24,552,362	99.66

Source: Annual audited financial reports of the entity and reports of the Tax Assessor and Tax Collector for this entity.

Schedule 9
City of Burlington, North Carolina
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	RZED Bonds	Installment Purchase	Capitalized Leases	Certificates of Participation	General Obligation Bonds	Revenue Bonds	Revolving Loan	Certificates of Participation				
2021	\$ 2,389,000	\$ -	\$ 9,452,135	\$ -	\$ -	\$ -	\$ 26,249,000	\$ -	\$ -	\$ 38,090,135	5.5 %	665	
2020	2,897,000	-	1,971,795	-	-	-	27,833,715	-	-	32,702,510	5.0	599	
2019	3,414,000	-	2,089,559	-	-	-	29,575,777	-	-	35,079,336	5.6	653	
2018	3,940,000	-	1,983,462	-	-	399,000	31,287,839	-	-	37,610,301	6.0	709	
2017	4,492,742	-	1,975,181	-	-	1,567,000	32,959,901	-	-	40,994,824	6.5	778	
2016	5,072,860	-	2,158,285	-	-	2,785,000	34,601,962	-	-	44,618,107	7.7	850	
2015	5,651,978	-	2,140,876	-	-	4,047,000	36,219,027	-	-	48,058,881	8.5	928	
2014	8,994,345	-	2,323,955	-	-	5,184,752	37,821,088	-	-	54,324,140	10.0	1,055	
2013	10,189,321	-	2,382,461	-	-	6,384,745	39,433,399	-	-	58,389,926	11.2	1,138	
2012	10,604,081	2,531,217	2,502,729	-	-	7,594,520	41,021,613	-	-	64,254,160	12.7	1,270	

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Schedule 10
City of Burlington, North Carolina
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities	Business-Type Activities	Total	Percentage of Actual Taxable Value (1) of Property	Per Capita (2)
	General Obligation Bonds	General Obligation Bonds			
2021	2,389,000	-	2,389,000	0.05 %	41.69
2020	2,897,000	-	2,897,000	0.06	53.05
2019	3,414,000	-	3,414,000	0.07	63.52
2018	3,940,000	399,000	4,339,000	0.09	81.75
2017	4,492,742	1,567,000	6,059,742	0.13	114.97
2016	5,072,860	2,785,000	7,857,860	0.17	149.75
2015	5,651,978	4,047,000	9,698,978	0.21	187.20
2014	8,994,345	5,184,752	14,179,097	0.31	275.27
2013	10,189,321	6,384,745	16,574,066	0.37	323.04
2012	10,604,081	7,594,520	18,198,601	0.43	359.75

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements

(1) See Schedule 5 for property value data.

(2) Population data can be found in Schedule 14.

Schedule 11
City of Burlington, North Carolina
Direct and Overlapping Governmental Activities Debt
As of June 30, 2021
(dollars in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable(a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Alamance County General Obligation Debt	\$ 179,225,000	33.43%	\$ 59,913,836
Alamance County Authorized & Unissued GO Debt	38,450,000	33.43%	12,853,603
Guilford County General Obligation Debt	562,955,000	10.59%	59,595,548
Guilford County Unamortized G.O. Bond Premium	62,876,462	10.59%	6,656,229
Other debt			
Alamance County Installment Loans	6,728,724	33.43%	2,249,372
Guilford County G.O. Bond Anticipation Notes	-	10.59%	-
Guilford County Authorized & Unissued Bonds	300,000,000	10.59%	31,758,603
Guilford County Limited Obligation Bonds	16,845,000	10.59%	1,783,246
Guilford County Installment Financing	-	10.59%	-
Subtotal, overlapping debt			174,810,435
City direct debt			11,841,135
Total direct and overlapping debt			\$ 186,651,570

Sources: Population data used to estimate applicable percentages came from the Office of State Budget & Management.

Debt outstanding data provided by each governmental unit.

(a) The percentage of overlapping debt applicable is estimated using population figures. Applicable percentages were estimated by dividing the City's population by the County's population.

Schedule 12
City of Burlington, North Carolina
Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year	
Assessed value of taxable property	5,282,574,626
Debt limit (8% of assessed value)	422,605,970
Gross Debt:	
Total Bonded Debt	2,389,000
Private Activity Bonds	-
Certificate of Participation	-
Revenue Bonds	26,249,000
Lease Financing Agreements	9,452,135
Total Gross Debt	38,090,135
Less: Water and Sewer Bonds	(26,249,000)
Total net debt applicable to limit	11,841,135
Legal debt margin	410,764,835

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt limit	\$ 339,672,207	\$ 355,604,607	\$ 369,605,007	\$ 370,885,697	\$ 378,866,924	\$ 387,356,124	\$ 386,318,401	\$ 400,192,308	\$ 410,745,064	\$ 422,605,970
Total net debt applicable to limit	15,188,097	12,571,782	11,189,204	7,792,854	7,231,145	6,467,923	5,923,461	5,503,559	4,868,795	11,841,135
Legal debt margin	\$ 324,484,110	\$ 343,032,825	\$ 358,415,803	\$ 363,092,843	\$ 371,635,779	\$ 380,888,201	\$ 380,394,940	\$ 394,688,749	\$ 405,876,269	\$ 410,764,835
Total net debt applicable to the limit as a percentage of debt limit	4.47%	3.54%	3.03%	2.10%	1.91%	1.67%	1.53%	1.38%	1.19%	2.80%

Note: Under North Carolina Local Budget & Control Act, the city's outstanding general obligation debt should not exceed 8 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Schedule 13
City of Burlington, North Carolina
Pledged-Revenue Coverage
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Water & Sewer Revenue Bonds (1)						
	Utility		Less:		Net		Coverage
	Service Charges	Operating Expenses	Available Revenue	Debt Service Principal	Interest		
2021	\$ 31,469,637	\$ 19,931,527	11,538,110	\$ 1,735,000	\$ 1,402,029		3.7
2020	30,034,324	19,729,557	10,304,767	1,700,000	1,476,383		3.2
2019	31,057,981	18,375,890	12,682,091	1,670,000	1,543,182		3.9
2018	29,183,476	16,406,591	12,776,885	1,630,000	1,619,332		3.9
2017	33,235,438	18,208,228	15,027,210	1,600,000	1,683,331		4.6
2016	30,367,965	16,066,030	14,301,935	1,575,000	1,746,332		4.3
2015	27,292,611	15,760,218	11,532,393	1,560,000	1,795,170		3.4
2014	21,065,349	14,998,174	6,067,175	1,525,000	1,862,120		1.8
2013	20,520,559	14,471,192	6,049,367	1,495,000	1,927,870		1.8
2012	21,389,894	14,385,550	7,004,344	960,000	1,302,469		3.1

(1) In February 2021, the City issued Combined Enterprise System Revenue Bond Series 2021A in the amount of \$11,871,000 to finance the cost of refunding the City's outstanding Combined Enterprise System Revenue Bonds, Series 2010 A&B and pay the costs of issuance associated with the transaction. In March 2021, the City issued Combined Taxable/Tax-Exempt Cinderella Financing Enterprise System Revenue Bond Series 2021B in the amount of \$13,753,000 to finance the cost of currently refunding the City's outstanding Combined Enterprise System Revenue Bonds, Series 2011 and pay the costs of issuance associated with the transaction.

Note: Operating expenses do not include interest, depreciation, or amortization expenses. Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Schedule 14
City of Burlington, North Carolina
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population Estimates (1)	Alamance County Personal Income (2)	Alamance County Per Capita Personal Income (2)	School Enrollment (3)	Unemployment Rate (4)
2021	57,303	**	**	21,191	7.0%
2020	54,606	*	*	22,809	6.0%
2019	53,748	6,982,583	41,193	23,019	3.9%
2018	53,077	6,548,003	39,342	22,708	4.4%
2017	52,709	6,307,062	38,839	22,764	4.7%
2016	52,472	5,788,131	36,246	22,724	5.1%
2015	51,812	5,672,514	35,839	22,706	5.2%
2014	51,510	5,421,753	34,801	22,690	6.9%
2013	51,306	5,224,119	33,840	22,423	9.7%
2012	50,587	5,068,382	32,929	22,531	10.1%

* Not available until April, 2022

** Not available until April, 2023

Sources:

- (1) U. S. Census Bureau
- (2) U. S. Department of Commerce - Bureau of Economic Analysis
- (3) N. C. Department of Public Instruction
- (4) U. S. Department of Labor - Bureau of Labor Statistics

Schedule 15
City of Burlington, North Carolina
Principal Employers
Current Year and Nine Years Ago

	2021			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Employer						
Alamance-Burlington School Sys	3,500	1	14.46 %	3,329	2	16.12 %
LabCorp, Inc.	3,000	2	12.40	3,500	1	16.95
Cone Health Alamance Regional	2,000	3	8.27	2,240	3	10.85
City of Burlington	1,100	4	4.55	806	5	3.90
Wal-Mart Stores, Inc.	1,000	5	4.13	1,000	4	4.84
Glen Raven, Inc.	600	6	2.48			
PRA Group	500	7	2.07			
Alamance Foods	350	8	1.45			
Sheetz	250	9	1.03			
Tapco Underwriters, Inc.	200	10	0.83			
Kayser-Roth Corp				465	6	2.25
Kernodle Clinic, Inc.				325	7	1.57
American Multimedia, Inc.				250	8	1.21
ITG				250	9	1.21
Carolina Hosiery Mills, Inc.				240	10	1.16
Total	12,500		51.66 %	12,405		60.06 %

Sources:
 Alamance County Chamber of Commerce
 Employment Security Commission of North Carolina

Schedule 16
City of Burlington, North Carolina
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Full-time Equivalent Employees as of June 30</u>									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General government										
Admin/Public Info/Econ Dev	9	9	7	6	6	4	4	3	3	3
Customer Service/Collections	17	16	16	16	17	18	20	19	19	18
Finance	12	11	12	13	11	13	14	13	13	13
Information Technology	8	8	8	8	8	7	8	7	7	6
Legal	2	2	2	2	2	3	2	1	1	1
Human Resources	8	6	8	7	6	7	6	6	6	6
Planning	15	15	15	15	16	15	15	15	14	14
Inspections	9	9	9	9	8	10	9	9	9	9
Engineering/Traffic Control	18	20	23	20	20	14	14	14	14	14
Animal Services	19	19	18	17	17					
Police										
Sworn Officers	125	130	129	125	112	125	121	125	123	122
Civilians	42	39	44	42	45	51	51	44	40	41
Fire										
Firefighter and officers	104	104	106	101	103	105	91	90	89	88
Civilians	1	1	1	1	1	1	1	1	1	1
Public Transportation										
Administration	3	2	2	3	3	2	-	-	-	-
Public Works										
Administration	2	2		4	4	4	4	4	4	4
Maintenance	25	24	26	25	24	24	24	23	24	24
Street	16	17	18	18	17	20	20	22	22	22
Cemetery	12	12	15	15	14	14	15	16	15	14
Sanitation	17	19	20	17	17	16	17	17	18	17
Recreation	45	45	45	45	47	46	44	44	43	42
Water and Sewer	89	91	92	93	90	89	87	86	90	88

Source: Full-time Equivalent Employee information was provided by the City of Burlington's payroll system.

Schedule 17
City of Burlington, North Carolina
Operating Indicators by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Police										
Physical arrests	2,818	2,206	2,328	2,289	2,198	2,561	3,067	4,277	4,202	3,897
Parking violations	5	104	98	25	523	392	625	1,459	2,467	1,988
Traffic violations	1,836	2,090	2,698	2,909	3,053	4,686	5,630	7,175	6,727	5,248
Fire										
Emergency responses	8,656	8,193	9,283	9,419	6,795	8,640	8,197	7,688	7,914	7,481
Fires responses	2,472	2,256	2,694	2,572	2,446	2,331	2,326	1,946	2,074	2,173
Inspections	2,333	2,068	2,853	3,062	2,725	3,044	3,313	2,990	3,064	2,863
Refuse collection										
Refuse collected (tons per day)	45	41	39	37	36	35	33	66	66	72
Recyclables collected (tons per day)	9.26	9.96	10.0	9.7	9.2	7.7	7	27	29	21
Other Public Works										
Street resurfacing (miles)	5.53	0.00	3.68	7.10	4.79	0.10	9.42	3.15	3.59	7.73
Potholes repaired	120	118	144	185	106	141	108	162	89	63
Recreation and Parks										
Athletic field permits issued	90	159	160	160	159	159	157	157	155	150
Community center admissions	10,000	218,000	220,000	218,000	214,200	211,900	190,300	168,700	166,550	163,400
Water										
New connections	47	32	35	50	50	34	38	35	34	36
Water mains breaks	71	46	38	71	46	36	57	71	50	53
Average daily consumption (thousands of gallons)	11,106	11,078	11,025	11,519	11,438	10,831	10,333	10,284	11,313	12,114
Peak daily consumption (thousands of gallons)	15,820	15,272	15,533	18,283	17,523	14,471	16,296	15,964	16,106	21,577
Wastewater										
Average daily sewage treatment (thousands of gallons)	12,932	12,384	14,480	10,628	10,950	12,308	10,449	11,879	10,730	10,550

Sources: Various city departments.

Schedule 18
City of Burlington, North Carolina
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	2	2	3	3	1	4	4	6	7	7
Patrol units	161	161	157	154	151	151	151	151	151	151
Fire Stations	6	6	6	6	5	5	5	5	5	5
Refuse collection										
Collection trucks	26	25	23	23	24	22	22	21	22	19
Other public works										
Streets (miles)	249.46	248.15	247.76	245.86	245.45	244.1	243.71	243.62	243.29	243.29
Highways (miles)	71.58	71.95	72.53	70.86	70.86	70.58	70.58	69.73	69.73	66.79
Streetlights	5,425	5,369	5,167	5,136	5,085	5,061	5,035	5,019	4,979	4,844
Traffic Signals	40	41	41	41	41	41	41	40	36	36
Recreation and parks										
Acreage	638.45	638.45	638.45	638.45	638.45	638.45	638.45	638.45	638.45	638.45
Playgrounds	24	22	22	22	22	22	21	21	21	21
Baseball/softball diamonds	17	17	17	17	17	17	17	17	17	17
Soccer/football fields	17	15	15	15	15	15	15	15	15	15
Community centers	6	6	6	6	6	6	6	6	6	6
Water										
Water mains (miles)	431.29	438.65	434.50	396.50	388.30	372.60	393.77	390.00	388.76	387.29
Fire hydrants	2,708	2,670	2,451	2,425	2,226	2,208	2,256	2,196	2,190	2,284
Storage capacity (thousands of gallons)	14,900	14,900	14,000	14,000	14,000	14,000	14,000	14,000	4,500	4,500
Wastewater										
Sanitary sewers (miles)	414.24	418.97	413.29	368.10	362.40	361.70	387.79	386.36	385.06	384.36
Storm sewers (miles)	209.90	208.33	206.11	198.45	197.80	197.10	198.13	221.30	147.90	219.63
Treatment capacity (thousands of gallons per day)	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000

Sources: Various city departments.





**STOUT
STUART
McGOWEN
& KING LLP**

*Certified
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*Advisors to
Management*

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Burlington
Burlington, North Carolina

*Member of PCPS,
the AICPA Alliance
For CPA Firms*

We have audited, in accordance with the auditing standards generally accepted in the United State of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Burlington, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Burlington's basic financial statements and have issued our report thereon dated November 18, 2021. The financial statements of the Burlington Downtown Corporation were not audited in accordance with Government Auditing Standards.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

STOUT STUART MC GOWEN & KINGS LLP

Burlington, North Carolina
November 18, 2021



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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE; WITH OMB UNIFORM GUIDANCE AND THE
STATE SINGLE AUDIT IMPLEMENTATION ACT**

Independent Auditor's Report

To The Honorable Mayor and
Members of the City Council
City of Burlington
Burlington, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the City of Burlington, North Carolina, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City of Burlington's major federal programs for the year ended June 30, 2021. The City of Burlington's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs

Management Responsibility

Management is responsible for compliance with Federal and State statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Burlington's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Burlington's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Burlington's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Burlington complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the City of Burlington is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Burlington's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

This purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

STOUT STUART MCGOWEN & KING LLP

Burlington, North Carolina
November 18, 2021



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**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE; IN ACCORDANCE WITH OMB UNIFORM
GUIDANCE; AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

Independent Auditor's Report

To The Honorable Mayor and
Members of the City Council
City of Burlington
Burlington, North Carolina

Report on Compliance for Each Major State Program

We have audited City of Burlington, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City of Burlington's major state programs for the year ended June 30, 2021. The City of Burlington's major State program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Burlington's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the *State Single Audit Implementation Act*. Those standards, Uniform Guidance, and the *State Single Audit Implementation Act* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City of Burlington's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination on the City of Burlington's compliance.

Opinion on Each Major State Program

In our opinion, the City of Burlington complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the City of Burlington is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Burlington's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

STOUT STUART MCGOWEN & KING LLP

Burlington, North Carolina
November 18, 2021

CITY OF BURLINGTON, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2021

169

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant Deficiency(s) identified that are not
considered to be material weaknesses _____ Yes X None Reported

Noncompliance material to financial statements noted _____ Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? _____ Yes X No

Significant Deficiency(s) identified that are not
considered to be material weaknesses _____ Yes X None Reported

Type of auditor's report issued on compliance for
major federal programs: Unmodified

Any audit findings disclosed that are required to be
reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
14.218	Community Development Block Grant
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and
Type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

CITY OF BURLINGTON, NORTH CAROLINA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Fiscal Year Ended June 30, 2021

Section I. Summary of Auditor's Results

State Awards

Internal control over major State programs:

Material weakness(es) identified? _____ Yes X No

Significant Deficiency(s) identified that are not
 considered to be material weaknesses _____ Yes X None Reported

Type of auditor's report issued on compliance for
 major State programs: Unmodified

Any audit findings disclosed that are required to be
 reported in accordance with State Single Audit
 Implementation Act _____ Yes X No

Identification of major State program:

Program Name

Powell Bill

Section II. Financial Statement Findings

None reported.

Section III. Federal Award Findings and Questioned Costs

None reported.

Section IV. State Award Findings and Questioned Costs

None reported.

CITY OF BURLINGTON, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2021

171

None

CITY OF BURLINGTON, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2021

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass Through) Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
Federal Grants:				
Cash Programs:				
<u>U.S. Department of Housing and Urban Development:</u>				
Community Development				
Block Grant - Entitlement Grant	14.218	623,397		
Passed-through N.C. Department of Commerce:				
COVID-19 – Community Development Block Grant, State's Program				
	14.228	269,853		
Passed-through Greensboro Consortium:				
Home Investment Partnership Program				
	14.239	1,503		
<u>U.S. Department of Treasury</u>				
Passed-through the Office of State Budget and Management:				
NC Pandemic Recovery Office Passed Through Alamance County: Coronavirus Relief Fund				
	21.019	854,454		
<u>U.S. Department of Justice</u>				
Direct Program:				
Office of Justice:				
Federal Asset Forfeiture Funds	16.005	114,240		
Passed-through North Carolina Department Of Public Safety:				
Edward Byrne Memorial Justice Assistance Grant				
	16.738	81,263		
Office of Victims of Crime:				
Passed-through Governor's Crime Commission				
Services for Trafficking Victims	16.320	75,988		
Juvenile Justice and Delinquency Prevention	16.540	125,012		
<u>U.S. Department of Transportation</u>				
Passed-through North Carolina Department of Transportation:				
Highway Planning and Construction Grants:				
State Planning and Research	20.205-5	<u>170,916</u>		
Total assistance - federal programs		<u>2,316,626</u>		

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 For the Year Ended June 30, 2021

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass Through) Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
State Grants:				
Cash Assistance:				
<u>N.C. Department of Transportation:</u>				
Powell Bill			1,364,684	
<u>N.C. Housing Finance Agency:</u>				
Urgent Repair Program			50,000	
Total assistance - State programs			1,414,684	
Total assistance		\$ 2,316,626	\$ 1,414,684	\$

Notes to the Schedule of Expenditures Federal and State Financial Awards:

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the City of Burlington under the programs of the federal government and the State of North Carolina for the year ended June 30, 2021. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the City of Burlington, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Burlington.