City of Burlingame, Kansas

Financial Statement
For the Year Ended December 31, 2021

City of Burlingame, Kansas
Financial Statement
Regulatory Basis
For the Year Ended December 31, 2021

Table of Contents

Independent Auditor's Report 1-3

FINANCIAL SECTION

Statement 1
Summary Statement of Receipts, Expenditures and Unencumbered Cash 4

Notes to the Financial Statement 5-13

SUPPLEMENTARY INFORMATION

Schedule 1
Summary of Expenditures – Actual and Budget 14
Schedule 2
Schedule of Receipts and Expenditures - Actual and Budget
General
Schedule 2 A General 15-16
Special Purpose Funds:
Schedule 2 B Special Highway 17
Schedule 2 C Sales Tax Infrastructure 18
Schedule 2 D Equipment Reserve 19
Schedule 2 E New Pool Reserve 20
Schedule 2 F American Rescue Plan Act 21
Business Funds
Schedule 2 G Electric Utility 22
Schedule 2 H Electric Maintenance 23
Schedule 2 I Electric Principal & Interest Reserve 24
Schedule 2 J Water Utility 25
Schedule 2 K Gas Utility 26
Schedule 2 L Sewer Utility 27
Schedule 2 M Sewer Reserve 28
Schedule 2 N Solid Waste Utility 29

Agency Funds
Summary of Receipts and Disbursements 30

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INDEPENDENT AUDITOR'S REPORT
February 22, 2022

To the City Council

City of Burlingame, Kansas

Unmodified and Adverse Opinions

I have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Burlingame, Kansas, (City) as of and for the year ended December 31, 2021 and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

In my opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2021, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note C.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In my opinion, because of the significance of the matter discussed in the Basis for Unmodified and Adverse Opinions section of this report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2021, or changes in financial position and cash flows thereof for the year then ended.

Basis for Unmodified and Adverse Opinions

I conducted my audit in accordance with auditing standards accepted in the United States of America, (GAAP) and the Kansas Municipal Audit and Accounting Guide. My responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of this report. I am required to be independent of the City and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my unmodified and adverse audit opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note C of the financial statement, the financial statement is prepared by the City on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note C and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note C; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error. In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, I:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

My audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note C.

John R. Welch C.P.A.

John R Welch, C.P.A.
Topeka, Kansas

City of Burlingame, Kansas

Statement 1

Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2021

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General	$ 290,347.58	$ -	$ 542,625.30	$ 517,380.32	$ 315,592.56	$ 5,457.92	$ 321,050.48
Special Purpose Funds:							
Special Highway	51,395.17	-	82,928.18	8,718.06	125,605.29	-	125,605.29
Sales Tax Infrastructure	46,844.15	-	90,409.88	23,367.52	113,886.51	-	113,886.51
Equipment Reserve	55,848.45	-	51,056.60	15,000.00	91,905.05	-	91,905.05
New Pool Reserve	5,434.38	-	507.59	-	5,941.97	-	5,941.97
American Rescue Plan Act	-	-	68,750.43	-	68,750.43	-	68,750.43
Business Funds							
Electric Utility	132,729.79	-	1,050,373.89	1,038,582.58	144,521.10	6,437.99	150,959.09
Electric Maintenance	130,470.69	-	-	-	130,470.69	-	130,470.69
Electric Principal & Interest Reserve	5,991.79	-	-	5,991.79	-	-	-
Water Utility	49,282.41	-	365,408.18	355,251.77	59,438.82	14,116.11	73,554.93
Gas Utility	181,553.65	-	1,543,643.48	1,412,983.64	312,213.49	3,127.52	315,341.01
Sewer Utility	85,553.21	-	164,284.97	156,937.70	92,900.48	252.00	93,152.48
Sewer Reserve	50,400.00	-	-	-	50,400.00	-	50,400.00
Solid Waste Utility	67,822.38	-	151,775.49	152,228.04	67,369.83	10,635.07	78,004.90
Total City	$ 1,153,673.65	$ -	$ 4,111,763.99	$ 3,686,441.42	$ 1,578,996.22	$ 40,026.61	$ 1,619,022.83

Composition of Cash	
Checking Accounts	$ 1,410,207.28
Certificates of Deposit:	204,511.26
Kansas Municipal Pool	32,117.91
Petty Cash and Change Funds	250.00
Total Cash	1,647,086.45
Less agency funds	28,063.62
Total City	$ 1,619,022.83

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

City of Burlingame, Kansas

Notes to Financial Statement
December 31, 2021

NOTE A. MUNICIPAL REPORTING ENTITY

The City of Burlingame is a municipal corporation governed by a mayor-council form of government with a five member council. This financial statement presents the City of Burlingame (the City) primary government only. None of the related municipal entities, are included in this financial statement. Inclusion of related municipal entities that do not meet the threshold for a required audit under K.S.A. 75-1122 is the option of the City, but not required.

In March of 2016, the city adopted an ordinance to establish a related municipal entity to operate the community library. All funds received from the library's tax levy are payable to the library and managed by its independent board. This financial statement does not include financial activities of the library.

NOTE B. REGULATORY BASIS FUND TYPES

The accounts of the City are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The City potentially could have the following types of funds.

General Fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specific purposes.

Bond and Interest Fund - used to account for the accumulation of resources, including tax levies, transfers from other funds and used to make payments of general long-term debt.

Capital Project Fund - used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund - funds financed in whole or part by fees charged to users of goods or services (i.e. enterprise and internal service funds etc.).

NOTE C. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America - The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

NOTE C. BASIS OF ACCOUNTING (Continued)

The City of Burlingame has approved a resolution that it is in compliance with K.S.A. 75-1120a (c) waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

When regulatory basis financial statements are released for general use, generally accepted auditing standard AU-C-800.21, requires the auditor to express an opinion about whether the financial statement has been prepared in accordance with the special purpose framework. The auditor is also required in a separate paragraph to express an opinion about whether the regulatory, special purpose financial statement is presented fairly, in all material respects, in accordance with GAAP.

NOTE D. BUDGETARY INFORMATION

Kansas statutes require than an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by stature), bond and interest funds, and business funds. Although directory rather than mandatory, the statues provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget
3. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

If the municipality is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The municipality did hold a revenue neutral rate hearing for this year for the 2022 budget.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time.

The City amended the gas utility budget on May 17, 2021. The budget authority was increased from $755,777.00 to $1,493,946.00.

The statutes permit transferring budgeted amounts between line items within an individual fund. However such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

Adjustment for Qualifying Budget Credits - Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

NOTE D. BUDGETARY INFORMATION (Continued)

All legal annual operating budgets are prepared using the regulatory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for the following funds:

New Pool Reserve
Equipment Reserve
Capital Improvement (established but unfunded)
American Rescue Plan Act
Electric Maintenance Reserve
Electric P & I Reserve
Sewer Reserve

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing board.

The City has established a related municipal entity to operate the community library. All funds received from the entity's tax levies are payable to the related entity. All actual payments to the entity are reported as agency transactions. This financial statement does not include operational activities for the related entity. The entity is required to incorporate its operating budget with the City's budget.

NOTE E. DEPOSITS AND INVESTMENTS

As of December 31, 2020, the City had $32,117.91 invested in the Kansas Municipal Investment Pool. Investments and maturities in the fund are for less than one year. The municipal Investment pool is under the oversight of the Pooled Money investment Board. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary M1 government securities dealers. There is no rating available for this fund. Information on the fund can be accessed at https://pooledmoneyinvestmentboard.com/aboutpmib.html.

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

NOTE E. DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk - State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City investments include certificates of deposit and deposit with the Kansas Municipal Investment Pool.

Custodial Credit Risk - deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50% . There were no designated "peak periods" during the year.

At December 31, 2021, the City's carrying amount of deposits was $1,614,718.54 and the bank balance was $1,696,306.04. The difference between the carrying amount and the bank balance is outstanding checks and deposits. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $454,511.26 was covered by federal depository insurance and $1,241,794.78 was collateralized with securities held by the pledging financial institution's agents in the City's name.

Custodial Credit Risk - investments: For an investment, this is the risk that, in the event of failure of the issuer or 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. State statutes require investments be adequately secured.

NOTE F. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
Electric Utility	General	K.S.A. 12-825d(a)	$75,000.00
Electric Utility	Equipment Reserve	K.S.A. 12-825d(a)	30,000.00
Gas Utility	General	K.S.A. 12-825d(a)	40,000.00
Solid Waste Utility	General	K.S.A. 12-825d(a)	30,000.00
General	Equipment Reserve	K.S.A. 12-1,117	20,000.00

NOTE G. 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; and natural disasters for which the City carries commercial insurance. Settlement of claims has not exceeded commercial insurance coverage in any of the last three fiscal years.

NOTE H. CITY PURCHASE CONTRACTS

In 1992, the City entered Into a forty year agreement with the City of Osage City, Kansas to purchase up to 250,000 gallons of water per day.

NOTE H. CITY PURCHASE CONTRACTS (Continued)

On June 7, 2021, the City approved the bid of Waste Management to provide for the collection and disposal of solid waste generated in the City. On November 1, 2012, the City contracted with Kansas Municipal Energy Agency for its electricity purchases. On September 19, 1996, the City renewed a contract with Kansas Municipal Gas Agency to act as purchaser for the City's natural gas requirements through their agreement with the Minnesota Municipal Gas Agency. The City has given notice to KMGA that it will not be renewing the contract on the April 30, 2023 renewal date.

NOTE I. LONG-TERM DEBT

General Obligation Bonds

On March 17, 2020, the City issued $3,355,000.00 in general obligation refunding bonds, Series 2020A, with a variable interest rate of 3.0% to advance refund the Series 2006A, 2006B, 2009A, 2011A, and 2012B general obligation bonds with maturity dates of 2020-2052, in the amount of $3,394,000.00. The Series 2020A bonds mature on September 1, 2045. The advance refunding met the requirements of an in-substance debt defeasance and the term bonds were removed from the City's financial statement on March 17, 2020.

On March 17, 2020, the City issued $700,000.00 in taxable general obligation refunding bonds, Series 2020B, with a variable interest rate of 1.5 to 2.48% to advance refund the Series 2014 revenue bonds with maturity dates of 2020-2034, in the amount of $ 725,000.00. The Series 2020B bonds mature on September 1, 2034. The advance refunding met the requirements of an in-substance debt defeasance and the term bonds were removed from the City's financial statement on March 17, 2020.

City Utility Low-Interest Loan

House Sub. for SB 88 created the City Utility Low-Interest Loan Program (Program), which provides loans to cities for extraordinary electric or natural gas costs incurred during the extreme winter weather event of February 2021. KMGA as the buying agent for the City purchased 8906 MMBTU of gas at $117.00785 per unit. The exorbitantly high natural gas costs resulted in a monthly bill of $1,009,696.02. The City gas utility barrowed $810,000.00 on March 23, 2021, at a variable interest rate per annum equal to the market rate as provided in K.S.A. 75-4237, and amendments thereto, less 2%. The current rate is 0.25%. The loan requires monthly installments and matures March 1, 2031.

Equipment lease

On July 24, 2017, the City entered into a lease with Landmark National Bank for the purchase of a Ford F550 bucket truck. The amount financed was $108,915. The scheduled lease payments required $15,000.00 at signing and five annual payments of $20,275.71 commencing December 15, 2017. The imputed annual interest rate is 3.25%. Payments are made from the electric utility fund.

On February 25, 2021, the City entered into a lease with Flint Hills Bank of Burlingame for the purchase of a 2015 Peterbilt 337 dump truck. The amount financed was $45,000.00. The scheduled lease payments required $15,000.00 at signing and two annual payments of $15,508.13 commencing February 25, 2022. The imputed annual interest rate is 2.25%. The down payment was made from the Equipment Reserve fund.

Note I. LONG-TERM DEBT (Continued)

Changes in long-term liabilities for the City for the year ended December 31, 2021, were as follows:

Issue	Balance Beginning of Year	2021 Additions	2021 Reductions/ Payments	Balance End of Year	Interest Paid
General obligation bonds:					
Series 2020A G.O. Water/Sewer	$ 3,285,000.00	$ -	$ 90,000.00	$ 3,195,000.00	$ 98,550.00
Series 2020B G.O. Electric	660,000.00	-	40,000.00	620,000.00	13,707.50
Total General obligation bonds	3,945,000.00	-	130,000.00	3,815,000.00	112,257.50
State of Kansas Loans:					
City Utility Low-Interest Loan	-	810,000.00	40,696.97	769,303.03	1,374.01
Leases:					
Ford F550 Bucket Truck	19,628.92	-	19,628.92	-	494.16
2015 Peterbilt 337	-	45,000.00	15,000.00	30,000.00	-
Total Leases	19,628.92	45,000.00	34,628.92	30,000.00	494.16
Total contractual Indebtedness	$ 3,964,628.92	$ 855,000.00	$ 205,325.89	$ 4,614,303.03	$ 114,125.67

City of Burlingame, Kansas

Notes to Financial Statement
December 31, 2021

Note I. LONG-TERM DEBT (Continued)

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

Principal:	2022	2023	2024	2025	2026	2027-31	Thereafter	Total
General obligation bonds:								
Series 2020B G.O. Electric	$ 45,000.00	$ 45,000.00	$ 45,000.00	$ 45,000.00	$ 45,000.00	$ 240,000.00	$ 155,000.00	$ 620,000.00
Series 2020A G.O. Water/Sewer	95,000.00	95,000.00	100,000.00	100,000.00	105,000.00	575,000.00	2,125,000.00	3,195,000.00
Total General obligation bonds:	140,000.00	140,000.00	145,000.00	145,000.00	150,000.00	815,000.00	2,280,000.00	3,815,000.00
State of Kansas Loans:								
City Utility Low-Interest Loan	82,313.00	82,518.99	82,725.53	82,932.60	83,140.15	355,672.76	-	769,303.03
Leases:								
2015 Peterbilt 337	14,833.13	15,166.87	-	-	-	-	-	30,000.00
Total Principal	237,146.13	237,685.86	227,725.53	227,932.60	233,140.15	1,170,672.76	2,280,000.00	4,614,303.03
Interest:								
General obligation bonds:								
Series 2020B G.O. Electric	13,087.50	12,367.50	11,625.00	10,860.00	10,072.50	36,020.50	7,688.00	101,721.00
Series 2020A G.O. Water/Sewer	95,850.00	93,000.00	90,150.00	87,150.00	84,150.00	371,400.00	509,700.00	1,331,400.00
Total General obligation bonds:	108,937.50	105,367.50	101,775.00	98,010.00	94,222.50	407,420.50	517,388.00	1,433,121.00
State of Kansas Loans:								
City Utility Low-Interest Loan	1,828.96	1,622.97	1,416.43	1,209.36	1,001.81	1,929.93	-	9,009.46
Leases:								
2015 Peterbilt 337	675.00	341.26	-	-	-	-	-	1,016.26
Total Interest	111,441.46	107,331.73	103,191.43	99,219.36	95,224.31	409,350.43	517,388.00	1,443,146.72
Total principal and interest	$ 348,587.59	$ 345,017.59	$ 330,916.96	$ 327,151.96	$ 328,364.46	$ 1,580,023.19	$ 2,797,388.00	$ 6,057,449.75

NOTE J. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post-Employment Benefits:

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retiree's health insurance plan because each participant is charged an equal premium regardless of age. However, the cost of this subsidy has not been qualified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Compensated Absences:

The City of Burlingame provides sick, vacation, and personal leave to its employees. Each full time employee is entitled to 3.69 hours of sick leave every two weeks. Maximum sick leave accumulation is 60 days. Upon separation of service, employees with at least one year of service receive 50% of their unused sick leave at their regular rate of pay. Full time employees earn one week of vacation after one year of service. Employees with 2-14 years of service earn two weeks and with 15 years of service and over, employees earn three weeks of vacation time. Employees may carry forward up to 240 hours of vacation each year. Upon separation of service, employees with at least one year of service are paid for unused vacation leave at their regular rate of pay. Full-time employees receive three days of personal leave each year. Personal leave can be used at the discretion of the employee but no carryover is allowed. Upon separation of service, employees with at least one year of service receive the unused personal leave at their regular rate of pay. Payments are made from the fund that corresponds to the employee's assignment.

NOTE K. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description - The City of Burlingame participates in the Kansas Public Employees Retirement System (KPERS) a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901. et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and requires supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S Kansas, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

Contributions - K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

NOTE K. DEFINED BENEFIT PENSION PLAN (Continued)

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (excluding the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.87% for the fiscal year ended December 31, 2021. Contributions to the pension plan from the city were $41,467.00 for the year ended December 31, 2021.

Net Pension Liability

At December 31, 2020, the City's proportionate share of the collective net pension liability reported to KPERS was $371,106.00. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. The City's proportion of the net pension liability was based on the ratio of the City's contributions to the KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis accounting does not recognize long-term debt, this liability is not reported in this financial statement. As of the issuance of this statement, the December 31, 2021 net pension liability was not yet available from KPERS.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

NOTE L. COMPLIANCE, STEWARDSHIP AND ACCOUNTABILITY

K.S.A. 79-2934 States that "no money in any fund shall be used to pay for any indebtedness created in excess of the total amount of the adopted budget of expenditures for such fund". The Gas Utility exceeded its budget authority on March 23, 2021. An amended budget for the Gas Utility was not adopted until May 17, 2021.

City management is not aware of any other reportable occurrences of noncompliance with Kansas statutes.

NOTE M. SUBSEQUENT EVENTS

The City approved the a five year lease purchase of a mini excavator on February 7, 2022. The purchase value of the excavator was $56,656.15.

In preparing this financial statement, the City has evaluated events and transactions for potential recognition or disclosure through February 22, 2022, the date the financial statement was available for issue.

City of Burlingame, Kansas

Regulatory - Required

Supplementary Information

Summary of Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

Fund	Beginning Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget	Expenditures Chargeable to Current Year	Over (Under) Budget
General	$ 873,919.00	$ -	$ 873,919.00	$ 517,380.32	$ (356,538.68)
Special Purpose Funds:					
Special Highway	53,449.00	-	53,449.00	8,718.06	(44,730.94)
Sales Tax Infrastructure	30,000.00		30,000.00	23,367.52	(6,632.48)
American Rescue Plan Act	-	-	-	-	-
Business Funds					
Electric Utility	1,103,862.00	-	1,103,862.00	1,038,582.58	(65,279.42)
Water Utility	462,329.00		462,329.00	355,251.77	(107,077.23)
Gas Utility	1,493,946.00	-	1,493,946.00	1,412,983.64	(80,962.36)
Sewer Utility	219,461.00	-	219,461.00	156,937.70	(62,523.30)
Solid Waste Utility	202,688.00	-	202,688.00	152,228.04	(50,459.96)
Total City Budgeted	$4,439,654.00	$ -	$4,439,654.00	$3,665,449.63	

See the independant auditor's report on required supplementary information

General
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Receipts			
Ad Valorem Tax	$ 143,563.25	$ 157,897.00	$ (14,333.75)
Delinquent Tax	11,704.12	-	11,704.12
Motor Vehicle Tax	47,065.13	44,884.00	2,181.13
Recreational Vehicle Tax	1,111.92	1,303.00	(191.08)
16/20M Vehicle Tax	42.03	102.00	(59.97)
Commercial Vehicle Tax	1,979.09	815.00	1,164.09
Sales and Use Tax	61,924.21	85,000.00	(23,075.79)
Franchise Tax	14,235.71	14,000.00	235.71
City Utility Franchise Tax	49,261.81	52,000.00	(2,738.19)
Licenses, Permits and Fees	2,928.60	2,600.00	328.60
Pool Receipts	10,161.51	7,500.00	2,661.51
Fines and Fees	14,120.78	21,000.00	(6,879.22)
Reimbursed Expenses	13,240.63	7,800.00	5,440.63
Covid Grants	20,628.59	-	20,628.59
Donations	610.00	4,000.00	(3,390.00)
Interest	5,047.92	7,500.00	(2,452.08)
Transfer In	145,000.00	290,000.00	(145,000.00)
Receipts Total	542,625.30	696,401.00	(153,775.70)
Expenditures			
Administrative			
Salaries & Wages	88,408.60	90,000.00	(1,591.40)
Contractual	46,691.20	23,000.00	23,691.20
Commodities	18,052.50	40,000.00	(21,947.50)
Total Administrative	153,152.30	153,000.00	152.30
Police			
Salaries & Wages	106,231.61	104,500.00	1,731.61
Contractual	10,873.20	5,118.00	5,755.20
Commodities	11,026.64	15,550.00	(4,523.36)
Total Police	128,131.45	125,168.00	2,963.45
Street			
Salaries & Wages	2,982.61	3,000.00	(17.39)
Contractual	919.95	25,000.00	(24,080.05)
Commodities	19,746.19	7,100.00	12,646.19

General
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Capital Outlay	-	-	-
Total Street	23,648.75	35,100.00	(11,451.25)
Parks			
Salaries & Wages	3,852.25	5,000.00	(1,147.75)
Commodities	6,806.68	10,600.00	(3,793.32)
Total Parks	12,174.79	27,100.00	(14,925.21)
Swimming Pool			
Salaries & Wages	21,151.22	25,000.00	(3,848.78)
Contractual	2,267.30	5,150.00	(2,882.70)
Commodities	8,116.46	10,175.00	(2,058.54)
Total Swimming Pool	31,534.98	40,325.00	(8,790.02)
941 Taxes	16,163.95	17,125.00	(961.05)
Health and Life Insurance	70,679.77	91,000.00	(20,320.23)
KPERS	16,455.47	17,500.00	(1,044.53)
SUTA	598.31	940.00	(341.69)
Court Attorney Fees	11,107.50	13,800.00	(2,692.50)
Council Attorney Fees	6,880.00	7,500.00	(620.00)
Audit	7,400.00	7,200.00	200.00
General Insurance	19,453.05	31,025.00	(11,571.95)
Street Repair	-	25,000.00	(25,000.00)
Transfer to Other Funds	20,000.00	120,000.00	(100,000.00)
Cash Forward Contingency	-	162,136.00	(162,136.00)
Expenditures Total	517,380.32	873,919.00	(356,538.68)
Receipts Over (Under) Expenditures	25,244.98	$ (177,518.00)	$ 202,762.98
Unencumbered Cash, Beginning	290,347.58		
Unencumbered Cash, Ending	$ 315,592.56		

See the independant auditor's report on required supplementary information

Special Highway
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Receipts			
State of Kansas Gas Tax	$ 25,909.50	$ -	$ 25,909.50
1/2% Local Sales Tax	54,010.36	-	54,010.36
Reimbursements	3,008.32	83,970.00	(80,961.68)
Receipts Total	82,928.18	83,970.00	(1,041.82)
Expenditures			
Street Maintenance and Repair	8,718.06	53,449.00	(44,730.94)
Expenditures Total	8,718.06	53,449.00	(44,730.94)
Receipts Over (Under) Expenditures	74,210.12	$ 30,521.00	$ 43,689.12
Unencumbered Cash, Beginning	51,395.17		
Unencumbered Cash, Ending	$ 125,605.29		

See the independant auditor's report on required supplementary information

Sales Tax Infrastructure
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Receipts			
Sales Tax	$ 90,409.88	$ 27,000.00	$ 63,409.88
Receipts Total	90,409.88	27,000.00	63,409.88
Expenditures			
Capital Improvements	23,367.52	27,000.00	(3,632.48)
Cash Forward Contingency	-	3,000.00	(3,000.00)
Expenditures Total	23,367.52	30,000.00	(6,632.48)
Receipts Over (Under) Expenditures	67,042.36	$ (3,000.00)	$ 70,042.36
Unencumbered Cash, Beginning	46,844.15		
Unencumbered Cash, Ending	$113,886.51		

See the independant auditor's report on required supplementary information

Equipment Reserve
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021

	Actual
Receipts	
Reimbursed Expenses	$ 1,056.60
Transfer In	50,000.00
Receipts Total	51,056.60
Expenditures	
Capital Outlay	15,000.00
Expenditures Total	15,000.00
Receipts Over (Under) Expenditures	36,056.60
Unencumbered Cash, Beginning	55,848.45
Unencumbered Cash, Ending	$ 91,905.05

New Pool Reserve
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021

	Actual
Receipts	
Donations	$ 500.00
Interest	7.59
Receipts Total	507.59
Expenditures	
Fund Raiser Expense	-
Expenditures Total	-
Receipts Over (Under) Expenditures	507.59
Unencumbered Cash, Beginning	5,434.38
Unencumbered Cash, Ending	$ 5,941.97

American Rescue Plan Act
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Actual
Receipts	
American Rescue Plan Act Grant	$ 68,750.43
Receipts Total	68,750.43
Expenditures	
Qualified Expenditures	-
Expenditures Total	-
Receipts Over (Under) Expenditures	68,750.43
Unencumbered Cash, Beginning	-
Unencumbered Cash, Ending	$ 68,750.43

Electric Utility
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Receipts			
Customer Receipts	$ 919,146.76	$ 1,035,000.00	$ (115,853.24)
Penalties	27,198.03	30,000.00	(2,801.97)
City Franchise Tax Collected	-	-	-
Reimbursements	104,029.10	-	104,029.10
Receipts Total	1,050,373.89	1,065,000.00	(14,626.11)
Expenditures			
Electric Power Purchase	418,412.97	446,300.00	(27,887.03)
Salaries and Wages	222,446.05	222,850.00	(403.95)
Health Insurance	56,087.82	52,500.00	3,587.82
Other Contractual	50,823.93	84,220.00	(33,396.07)
Commodities/Operating	83,096.10	56,000.00	27,096.10
Capital Outlay	30,000.00	30,000.00	-
Debt Service	47,715.71	53,708.00	(5,992.29)
Transfer to Other Funds	105,000.00	105,000.00	-
Cash Forward Contingency	25,000.00	53,284.00	(28,284.00)
Expenditures Total	1,038,582.58	1,103,862.00	(65,279.42)
Receipts Over (Under) Expenditures	11,791.31	$ (38,862.00)	$ 50,653.31
Unencumbered Cash, Beginning	132,729.79		
Unencumbered Cash, Ending	$ 144,521.10		

See the independant auditor's report on required supplementary information

Electric Maintenance
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021

	Actual
Receipts	
Transfer In	$ -
Receipts Total	-
Expenditures	
Equipment	-
Expenditures Total	-
Receipts Over (Under) Expenditures	-
Unencumbered Cash, Beginning	130,470.69
Unencumbered Cash, Ending	$ 130,470.69

See the independant auditor's report on required supplementary information

Electric Principal & Interest Reserve
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021

	Actual
Receipts	
Interest Income	$ -
Receipts Total	-
Expenditures	
2020 G.O. Bond Principal	5,991.79
Expenditures Total	5,991.79
Receipts Over (Under) Expenditures	(5,991.79)
Unencumbered Cash, Beginning	5,991.79
Unencumbered Cash, Ending	$ -

Water Utility
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Receipts			
Customer Receipts	$ 365,288.18	$ 380,000.00	$ (14,711.82)
Other Receipts	120.00	28,650.00	(28,530.00)
Receipts Total	365,408.18	408,650.00	(43,241.82)
Expenditures			
Water Purchase	182,793.02	179,000.00	3,793.02
Salaries and Wages	45,653.85	52,075.00	(6,421.15)
Health Insurance	13,276.79	14,500.00	(1,223.21)
Commodities/Operating	14,483.12	7,400.00	7,083.12
Contractual	36,823.49	56,700.00	(19,876.51)
Debt Service	62,221.50	62,850.00	(628.50)
Transfer to Other Funds	-	45,000.00	(45,000.00)
Cash Forward Contingency	-	44,804.00	(44,804.00)
Expenditures Total	355,251.77	462,329.00	(107,077.23)
Receipts Over (Under) Expenditures	10,156.41	$ (53,679.00)	$ 114,160.35
Unencumbered Cash, Beginning	49,282.41		
Unencumbered Cash, Ending	$ 59,438.82		

See the independant auditor's report on required supplementary information

Gas Utility
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Receipts			
Customer Receipts	$ 335,649.73	$ 468,500.00	$ (132,850.27)
Extraordinary Costs Paid by Customer	395,381.74	-	395,381.74
Extraordinary Costs State Loan	810,000.00	810,000.00	-
Other Receipts	2,612.01	1,600.00	1,012.01
Receipts Total	1,543,643.48	1,280,100.00	263,543.48
Expenditures			
Gas Purchases	1,245,232.81	1,234,696.00	10,536.81
Salaries & Wages	41,293.24	48,050.00	(6,756.76)
Employee Benefits	22,580.84	15,500.00	7,080.84
Contract Services	9,750.81	12,700.00	(2,949.19)
Commodities	5,043.13	18,000.00	(12,956.87)
Franchise Tax Paid	-	-	-
Bond Interest and Principle Payments	49,082.81	-	49,082.81
Transfer to Other Funds	40,000.00	140,000.00	(100,000.00)
Cash Forward Contingency	-	25,000.00	(25,000.00)
Expenditures Total	1,412,983.64	1,493,946.00	(80,962.36)
Receipts Over (Under) Expenditures	130,659.84	$ (213,846.00)	$ 344,505.84
Unencumbered Cash, Beginning	181,553.65		
Unencumbered Cash, Ending	$ 312,213.49		

See the independant auditor's report on required supplementary information

Sewer Utility
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Receipts			
Customer Receipts	$ 161,972.97	$ 164,000.00	$ (2,027.03)
Reimbursements	2,312.00	2,400.00	(88.00)
Receipts Total	164,284.97	166,400.00	(2,115.03)
Expenditures			
Salaries & Wages	16,733.30	15,650.00	1,083.30
Employee Benefits	9,202.27	5,000.00	4,202.27
Contractual	3,736.22	7,400.00	(3,663.78)
Commodities	937.41	1,400.00	(462.59)
Bond Interest and Principle Payments	126,328.50	125,700.00	628.50
Cash Forward Contingency	-	64,311.00	(64,311.00)
Expenditures Total	156,937.70	219,461.00	(62,523.30)
Receipts Over (Under) Expenditures	7,347.27	$ (53,061.00)	$ 60,408.27
Unencumbered Cash, Beginning	85,553.21		
Unencumbered Cash, Ending	$ 92,900.48		

See the independant auditor's report on required supplementary information

Sewer Reserve
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021

	Actual
Receipts	
Transfer from Sewer	$ -
Receipts Total	-
Expenditures	
Capital Improvements	-
Expenditures Total	-
Receipts Over (Under) Expenditures	-
Unencumbered Cash, Beginning	50,400.00
Unencumbered Cash, Ending	$ 50,400.00

Solid Waste Utility
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Receipts			
Customer Collections	$151,775.49	$ 142,000.00	$ 9,775.49
Receipts Total	151,775.49	142,000.00	9,775.49
Expenditures			
Contract Services	122,228.04	111,000.00	11,228.04
Transfer out	30,000.00	30,000.00	-
Cash Forward Contingency	-	61,688.00	(61,688.00)
Expenditures Total	152,228.04	202,688.00	(50,459.96)
Receipts Over (Under) Expenditures	(452.55)	$ (60,688.00)	$ 60,235.45
Unencumbered Cash, Beginning	67,822.38		
Unencumbered Cash, Ending	$ 67,369.83		

See the independant auditor's report on required supplementary information

Agency Funds
Summary of Receipts and Disbursements Agency Funds
Regulatory Basis
For the Year Ended December 31, 2021

Fund	Beginng Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Distributable Funds:				
Library County Mill Levy	$ 1,766.82	$ 54,131.07	$ 55,897.89	$ -
City Utility Deposits	29,068.18	7,995.44	9,000.00	28,063.62
Total Agency Funds	$ 30,835.00	$ 62,126.51	$ 64,897.89	$ 28,063.62

See the independant auditor's report on required supplementary information