

**CITY OF BURLINGTON, VERMONT
WATER ENTERPRISE FUND
FINANCIAL STATEMENTS**



**FOR FISCAL YEARS ENDED
JUNE 30, 2020 AND 2019**

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Independent Auditors' Report

To the Board of Commissioners
Department of Public Works
City of Burlington, Vermont

Report on the Financial Statements

We have audited the accompanying financial statements of the Water Enterprise Fund of the City of Burlington, Vermont, (the Fund), as of and for the years ended June 30, 2020 and 2019 as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

The Fund's 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.

Auditors' Responsibility

Our responsibility is to express an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 Fund'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 Fund'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.

Nashua, New Hampshire
Manchester, New Hampshire
Andover, Massachusetts
Greenfield, Massachusetts
Ellsworth, Maine

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

As discussed in Note 1, the financial statements present only the Fund and do not purport to, and do not, present fairly the financial position of the City of Burlington, Vermont, as of June 30, 2020 and 2019, and the changes in its financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Fund, as of June 30, 2020 and 2019, and the respective changes in financial position and cash flows thereof for the years 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, and the Pension and OPEB schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

A handwritten signature in dark ink that reads "Melanson".

Merrimack, New Hampshire
November 25, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Burlington Water Enterprise Fund's (the Fund) annual financial report, management provides a narrative discussion and analysis of the financial activities for the year ended June 30, 2020. The Fund's performance is discussed and analyzed within the context of the accompanying financial statements and note disclosures following this section.

Overview of the Financial Statements

Water is an enterprise fund of the City of Burlington. An enterprise fund is established to account for the operations that are financed and operated in a manner similar to business-type activities, where fees are charged to external parties to cover the costs of providing goods and services. An enterprise fund uses the accrual basis of accounting and accordingly, revenue are recognized when earned and expenses are recognized as incurred.

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements include (1) the statements of net position, (2) the statements of revenues, expenses and changes in net position, (3) the statements of cash flows, and (4) notes to the financial statements.

Financial Highlights:

The Statement of Net Position is designed to indicate our financial position as of a specific point in time. At June 30, 2020, it shows our net position of \$14,571,030, a change of \$519,856 in comparison to the prior year. The unrestricted net position increased from the prior year by \$459,908 as further explained in the following paragraph.

The Statement of Revenues, Expenses, and Changes in Net Position summarize our operating results and reveals how much, if any, of a profit was earned for the year. As noted above, net position in fiscal year 2020 increased by \$519,856. The increases in net position are primarily due to the cessation of any "discretionary" expenditures that could be reasonably postponed in response to the COVID pandemic. Operating expenses did still go up even with this expenditure tightening due to the placement of all water resources (Water, Wastewater, Stormwater) engineering and planning staff in the Water budget – with appropriate cost allocations to those funds to balance this expense with increased operating revenue. Operating revenues increased despite the decrease in residential and commercial billable usage over March, April and May due to these staff allocation related interfund transfers, the FY20 rate increase and the increase in irrigation usage in the dry summer. Non-operating expenses decreased due to fewer capital projects being completed in the FY20 season with the COVID lock down.

The Statement of Cash Flows provides information about cash receipts and cash payments during the accounting period. It also provides information about investing and financing activities for the same period. A review of our Statement of Cash Flows indicates that cash receipts from operating activities adequately covered our operating expenses (excluding depreciation), debt services as well as providing some for capital investment.

The following table highlights the fund's Statement of Net Position and Statement of Changes in Net Position as of and for the years ended June 30 (in thousands):

Statements of Net Position

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Assets:			
Current assets	\$ 6,605	\$ 7,063	\$ 8,425
Non-current assets	<u>17,835</u>	<u>17,377</u>	<u>14,582</u>
Total assets	24,440	24,440	23,007
Deferred outflows of resources	<u>501</u>	<u>634</u>	<u>476</u>
Total assets and deferred outflows of resources	<u>\$ 24,941</u>	<u>\$ 25,074</u>	<u>\$ 23,483</u>
Liabilities:			
Current liabilities	\$ 628	\$ 1,414	\$ 1,941
Noncurrent liabilities	<u>9,465</u>	<u>9,048</u>	<u>6,908</u>
Total liabilities	10,093	10,462	8,849
Deferred inflows of resources	277	561	623
Net position:			
Net investment in capital assets	10,683	10,579	10,901
Restricted	864	908	621
Unrestricted	<u>3,024</u>	<u>2,564</u>	<u>2,489</u>
Total net position	<u>14,571</u>	<u>14,051</u>	<u>14,011</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 24,941</u>	<u>\$ 25,074</u>	<u>\$ 23,483</u>

Statements of Changes in Net Position

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating revenues	\$ 7,202	\$ 6,596	\$ 6,397
Operating expenses	<u>(6,406)</u>	<u>(5,881)</u>	<u>(5,726)</u>
Operating income	796	715	671
Nonoperating revenues (expenses)			
Other revenue	93	184	69
Other expense	<u>(347)</u>	<u>(859)</u>	<u>(220)</u>
Total nonoperating (expenses)	(254)	(675)	(151)
Net income before capital contributions	542	40	520
Transfers Out	<u>(22)</u>	<u>-</u>	<u>-</u>
Change in net position	520	40	520
Beginning net position	<u>14,051</u>	<u>14,011</u>	<u>13,491</u>
Ending net position	<u>\$ 14,571</u>	<u>\$ 14,051</u>	<u>\$ 14,011</u>

Capital Assets:

Capital Assets - Net capital assets increased by \$507,721 in the current year. Significant capital asset activity in the current year consisted of the following:

- Water main replacements \$813,216
- Water reservoir generator \$139,710
- Disposals: \$307,272
- Depreciation: \$826,713

The primary capital focus for the Water Division has been the generational reinvestment into relining or replacing aging water main infrastructure in a coordinated approach with the street paving program. Water mains with high likelihoods of failure (based on age or break history) and high consequence of failure (on major roads and/or serving critical customers) are being relined or, where additional flow capacity is needed, replaced through open digging. In fiscal year 2020 1.2 miles were relined or replaced.

Additional information on capital assets can be found in the Notes to the Financial Statements.

Long-term Debt:

Long-term Debt - At the end of the current fiscal year, total debt outstanding, including unamortized bond premiums, was \$7,861,008, a decrease of (\$292,965) from the prior year, all of which was backed by the full faith and credit of the government.

Standard and Poor's Rating Group and Moody's Investors Services, Inc. has rated, the 2017, the 2018, and 2018B Bonds "A1".

Debt Coverage - As the Water Division began to pay full debt service in fiscal year 2019 on our initial 2017 bond series sale, as well as subsequent bond series 2018 and 2018B, and then draws down fully on the current bond authorizations, pressure on the debt coverage ratio has increased. However despite this, FY20's debt coverage ratio calculation shows an increase in Debt Coverage Ratio. For FY 20 this is due in part to a revision of calculation method as the result of a closer review of the General Water Revenue Bond Resolution which clearly states that expenses related to the payment in lieu of taxes by Water to the City are to be excluded in the calculation of net revenues but also to the slight increase in operating income discussed above.

The debt coverage ratio continues to be pressured by the burdens of increasing operations and maintenance (O&M) costs due to inflation and potentially decreasing revenues due to increased water efficiency reducing overall demand. As the result of COVID, Water did not seek a rate increase in FY21, which is our primary method of ensuring sufficient Debt Coverage Ratio in the environment of increased expenses and flat billable usage. We do anticipate some slow long term growth in billable usage due to redevelopment within the City adding additional units, possible growth due to an increased focus on our revenue assurance program (meter assessments, replacement), and possible growth in revenue due to improved cost recovery through additional fees for service, but will continue to need reasonable rate increases. The Water Division maintains a rate planning model to forecast revenues needed to support increased O&M, strong debt coverage ratios and days of cash on hand and to support needed requests for rate increases with the approval of the City Council. A rate and affordability study was substantially completed in FY20 but the recommendations were not advanced due to the limitations COVID placed on the outreach phase of the project. The rate study is examined alternative revenue sources as well as changes to the rate structure, including the potential addition of a fixed charge to help stabilize revenue against demand fluctuations. The current plan is to advance the recommendations and recommend adoption of the rate restructuring and affordability programs for FY22.

The debt coverage score in fiscal year 2020 was 3.88, which is greater than the required score of 1.25.

Additional information on long-term debt can be found in the Notes to the Financial Statements.

Economic Factors and Next Year's Budgets and Rates

Billable usage continues to be at risk due to the COVID pandemic as does receipt of payments, however, to date, the impact of both has not been as large as estimated. In particular, Water benefited from increased irrigation over the summer of 2020 which has provided a bit of a billable usage buffer. A State Grant program to assist residential and non-residential properties with arrearages was launched in the month and will assist with collection of many outstanding receivables for consumption utilized after March.

REQUESTS FOR INFORMATION:

This financial report is designed to provide a general overview of the Fund's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Office of Clerk/Treasurer
City of Burlington, City Hall
149 Church Street
Burlington, VT 05401

CITY OF BURLINGTON, VERMONT
WATER ENTERPRISE FUND
STATEMENTS OF NET POSITION
JUNE 30

	2020	2019
ASSETS		
Current:		
Cash and short-term investments	\$ 4,404,194	\$ 5,491,718
Escrows	466,904	-
User fee receivables, net of allowance for uncollectibles	1,423,903	1,210,086
Inventory	308,097	353,934
Prepaid expenses	1,834	7,322
Total current assets	6,604,932	7,063,060
Noncurrent:		
Restricted cash	863,887	907,429
Capital assets:		
Land	95,872	51,250
Capital assets, net of accumulated depreciation	16,875,433	16,418,334
Total noncurrent assets	17,835,192	17,377,013
TOTAL ASSETS	24,440,124	24,440,073
DEFERRED OUTFLOWS OF RESOURCES		
Pension related:		
Changes in proportional share of contributions	167,594	281,514
Changes in assumptions	54,023	68,602
Difference between expected and actual experience	17,657	22,664
Difference between projected and actual investment earnings	8,640	99,895
Deferred current year pension contributions	174,773	158,374
OPEB related:		
Difference between expected and actual experience	1,802	1,035
Changes in assumptions	28,116	1,588
Change in proportional share of contributions	48,580	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	501,185	633,672
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 24,941,309	\$ 25,073,745

(continued)

CITY OF BURLINGTON, VERMONT
WATER ENTERPRISE FUND
STATEMENTS OF NET POSITION
JUNE 30

(continued)

	2020	2019
LIABILITIES		
Current:		
Accounts payable	\$ 110,424	\$ 1,016,291
Accrued payroll	54,575	45,915
Other current liabilities	28,119	39,828
Current portion of long-term liabilities:		
Revenue bonds	296,074	286,074
State revolving loans	7,097	6,891
Capital lease payable	112,459	6,416
Compensated absences	19,429	13,051
Total current liabilities	628,177	1,414,466
Noncurrent:		
Revenue bonds, net of current portion	7,410,484	7,706,558
State revolving loans, net of current portion	147,353	154,450
Net pension liability	1,072,298	1,001,301
Total OPEB liability	128,748	47,684
Capital lease payable, net of current portion	530,787	6,670
Compensated absences, net of current portion	174,859	130,996
Total noncurrent liabilities	9,464,529	9,047,659
TOTAL LIABILITIES	10,092,706	10,462,125
DEFERRED INFLOWS OF RESOURCES		
Pension related:		
Difference between expected and actual experience	23,069	42,688
Changes in assumptions	48,250	-
Change in proportional share of contributions	193,633	514,985
OPEB related:		
Difference between expected and actual experience	10,827	1,742
Changes in assumptions	1,794	1,031
TOTAL DEFERRED INFLOWS OF RESOURCES	277,573	560,446
NET POSITION		
Net investment in capital assets	10,682,787	10,579,297
Restricted for debt service	863,887	907,429
Unrestricted	3,024,356	2,564,448
TOTAL NET POSITION	14,571,030	14,051,174
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 24,941,309	\$ 25,073,745

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

CITY OF BURLINGTON, VERMONT
WATER ENTERPRISE FUND
STATEMENTS OF REVENUE, EXPENSES AND
CHANGE IN NET POSITION
FOR THE YEARS ENDED JUNE 30

	<u>2020</u>	<u>2019</u>
Operating Revenues		
Charges for services	\$ 6,487,311	\$ 6,312,247
Miscellaneous	<u>714,776</u>	<u>284,212</u>
Total Operating Revenues	7,202,087	6,596,459
Operating Expenses		
Personnel	2,988,314	2,548,159
Non-personnel	2,134,121	2,111,723
Depreciation	826,713	777,351
Payments in lieu of taxes	<u>457,193</u>	<u>443,297</u>
Total Operating Expenses	<u>6,406,341</u>	<u>5,880,530</u>
Operating Income	795,746	715,929
Nonoperating Revenues/(Expenses)		
Interest income	46,208	80,851
Interest expense	(351,290)	(360,081)
Other income	1,004	56,675
Amortization of bond premium	46,074	46,074
Gain (loss) on disposal of capital assets	<u>4,289</u>	<u>(499,113)</u>
Total Nonoperating Revenues/(Expenses)	<u>(253,715)</u>	<u>(675,594)</u>
Net Income Before Transfers Out	542,031	40,335
Transfer out	<u>(22,175)</u>	<u>-</u>
Change in Net Position	519,856	40,335
Net Position at Beginning of Year	<u>14,051,174</u>	<u>14,010,839</u>
Net Position at End of Year	<u>\$ 14,571,030</u>	<u>\$ 14,051,174</u>

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

CITY OF BURLINGTON, VERMONT
WATER ENTERPRISE FUND
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Receipts from users and customers	\$ 6,976,560	\$ 6,715,051
Payments to suppliers	(2,251,945)	(2,880,407)
Payments for wages and benefits	(2,927,737)	(2,535,490)
Payment in lieu of taxes	(457,193)	(443,297)
Other receipts	<u>1,004</u>	<u>56,675</u>
Net cash provided by operating activities	1,340,689	912,532
Cash flows from noncapital financing activities		
Transfer out	<u>(22,175)</u>	<u>-</u>
Cash used for noncapital financing activities	(22,175)	-
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(1,976,419)	(3,804,862)
Proceeds from sale of assets	-	20,177
Proceeds from revenue bonds	-	2,000,000
Proceeds from premium	-	205,794
Proceeds from issuance of capital lease	648,866	20,021
Funding of the escrow from lease financing	(551,348)	-
Principal payments on revenue bonds	(240,000)	(120,000)
Principal payments on state revolving loans	(6,891)	(6,690)
Principal payments on capital lease obligations	(18,706)	(6,935)
Interest paid on outstanding debt	<u>(351,290)</u>	<u>(360,081)</u>
Net cash used by capital and related financing activities	(2,495,788)	(2,052,576)
Cash flows from investing activities:		
Decrease in restricted investments	-	1,004,412
Investment income	<u>46,208</u>	<u>74,037</u>
Cash provided by investing activities	46,208	1,078,449
Net change in cash	(1,131,066)	(61,595)
Cash and cash equivalents, beginning of year	<u>6,399,147</u>	<u>6,460,742</u>
Cash and cash equivalents, end of year	<u>\$ 5,268,081</u>	<u>\$ 6,399,147</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 795,746	\$ 715,929
Adjustments to reconcile operating income to net cash provided from operating activities:		
Depreciation	826,713	777,351
Other revenues	1,004	56,675
Changes in assets, liabilities, and deferred outflows/inflows:		
Accounts receivable	(213,817)	117,244
Inventories	45,837	(94,850)
Customer deposits	(11,709)	1,348
Deferred outflows	132,487	(172,504)
Accounts payable	(169,149)	(668,176)
Accrued salaries and wages	8,660	7,752
Prepaid expenses	5,488	(5,658)
Net pension liability	70,997	247,013
Total OPEB liability	81,064	3,114
Accrued compensated absences	50,241	(25,032)
Deferred inflows	<u>(282,873)</u>	<u>(47,674)</u>
Net cash provided by operating activities	<u>\$ 1,340,689</u>	<u>\$ 912,532</u>

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

CITY OF BURLINGTON, VERMONT
WATER ENTERPRISE FUND

NOTES TO THE FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. *The Financial Reporting Entity*

The City of Burlington, Vermont, Water Enterprise Fund (the Fund) is a municipally owned utility organized in 1865 to provide maintenance, treatment, and distribution of water to the residents of Burlington, Vermont.

The Fund is an enterprise fund within the City of Burlington, Vermont (the City). As such, this financial statement is not intended to present the financial position and results of operations of the City of Burlington, Vermont as a whole.

The accounting policies of the Fund conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The following is a summary of the more significant accounting policies.

B. *Basis of Presentation*

Enterprise Funds are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Based on the above definition, the Fund is accounted for utilizing enterprise fund accounting.

C. *Measurement Focus*

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Proprietary fund financial statements are reported using the economic resources measurement focus. This means that all assets and liabilities associated with the operation of these funds (whether current or noncurrent) are included on the balance sheet (or statement of net position). Fund equity (i.e., total net position) is segregated into net investment in capital assets, restricted net position, and unrestricted net position. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

D. Basis of Accounting

Basis of accounting refers to when revenue and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The financial statements are prepared utilizing the accrual basis of accounting. Accordingly, revenues and expenses are recognized at the time goods and services are provided or received. In general, water revenue is determined by water consumption multiplied by the water rate. Under this method, water revenues that have not been billed are recorded as estimated unbilled revenues.

Operating revenues are defined as income received from consumption from customers as well as service revenue for new customers and repairs for old customers.

Nonoperating revenues are defined as income received from sources other than sales. Nonoperating revenues include interest income and gain on sale of assets.

Operating expenses are defined as the ordinary costs and expenses for the operation, maintenance and repair of the water facilities. Operating expenses include the cost of water treatment, maintenance of transmission and distribution systems, administrative and general expenses, and depreciation. Operating expenses do not include the interest on bonds, notes, and revolving loans, or indebtedness and related costs.

E. Estimates

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

F. Cash and Short-term Equivalents

Cash includes amounts in demand deposits and cash on hand, as well as short-term investments with a maturity date within three (3) months of the date of acquisition.

G. Receivables

Receivables are shown net of an allowance for uncollectible accounts for the estimated losses that will be incurred in the collection of the receivables. The estimated losses are based on the judgment of management and a review of the current status of existing receivables.

H. Inventories

Inventory quantities are determined by physical count and are valued at the lower of cost or market. Inventories of the Fund consist of construction materials, meters, fuel, and chemicals.

I. Capital Assets

Capital assets, which include land, land improvements, building, and building improvements, vehicles, machinery and equipment, and distribution and collection systems, are recorded at cost including equipment acquired under capital leases that transfer substantially all risk of ownership to the Fund. Contributed assets are recorded at acquisition value at the time received. The cost of normal maintenance and repairs that do not add to the value or materially extend the asset's lives are not capitalized. The Fund's capitalization policy considers two factors. Property will be capitalized when:

1. The combined cost to put a unit in service come to more than \$10,000
2. The unit estimated life is greater than 5 years

The Fund follows the policy of charging to expenses annual amounts of depreciation which allocates the cost of plant and equipment over their estimated useful lives. The Fund employs the straight-line method for determining the annual charge for depreciation.

The depreciable lives of capital assets are as follows:

	<u>Depreciable Lives</u>
Buildings and improvements	25 - 150 Years
Infrastructure	10 - 40 Years
Vehicles, machinery, equipment, and furniture	5 - 15 Years

J. Long-Term Obligations

In the Fund's statements, revenue bonds, state revolving loans, net pension liability, compensated absences payable, and total OPEB liability are reported as long-term liabilities.

2. CASH AND SHORT-TERM INVESTMENTS

Custodial credit risk for deposits is the risk that in the event of a bank failure, the deposits may not be returned. The custodial credit risk for investments is the risk that, in the event of a failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City does not have a policy for custodial credit risk.

Cash received by the Fund is placed in the custody of the City Clerk/Treasurer’s Office. Disclosures related to collateralization are included in the City’s Comprehensive Annual Financial Report.

3. USER FEES RECEIVABLE

Receivables at June 30 consisted of the following:

	<u>2020</u>	<u>2019</u>
Billed user fees	\$ 876,086	\$ 773,467
Unbilled at year end	550,817	439,619
Less: allowance for doubtful accounts	<u>(3,000)</u>	<u>(3,000)</u>
Net user fees receivable	<u>\$ 1,423,903</u>	<u>\$ 1,210,086</u>

4. INVENTORY

Inventory at June 30 consisted of the following:

	<u>2020</u>	<u>2019</u>
Chemicals	\$ 32,173	\$ 34,100
Construction stock	209,393	253,302
Traffic meters	<u>66,531</u>	<u>66,532</u>
Total	<u>\$ 308,097</u>	<u>\$ 353,934</u>

6. DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources represent the consumption of net position by the Fund that are applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets. Deferred outflows of resources related to pensions and OPEB, in accordance with GASB Statement No. 68 and 75 are more fully discussed in the corresponding pension and OPEB notes.

7. ACCOUNTS PAYABLE

Accounts payable and accrued liabilities represent current year expenses paid on or after July 1 of the subsequent year.

8. CAPITAL LEASE OBLIGATIONS

The Fund enters into lease agreements as the lessee for the purpose of financing the acquisition of major pieces of equipment. These lease agreements qualify as capital lease obligations for accounting purposes (even though they include clauses that allow for cancellation of the lease in the event the City does not appropriate funds in future years) and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date of the leases.

At June 30, 2020, the Fund had \$643,246 of capital leases outstanding. The capital leases are for various machinery, vehicles, and equipment. The capital lease interest amounts range from 1.64% to 4.15%.

Future minimum lease payments consisted of the following as of June 30, 2020:

<u>Fiscal Year</u>	<u>Amount</u>
2021	\$ 124,923
2022	117,989
2023	117,988
2024	117,988
2025	117,988
Thereafter	<u>88,051</u>
Subtotal	684,927
Less: amounts representing interest	<u>(41,681)</u>
Total	<u>\$ 643,246</u>

The following is an analysis for the leased assets included in capital assets at June 30:

	<u>2020</u>
Machinery, vehicles, and equipment	\$ 272,160
Less: accumulated depreciation	<u>(19,638)</u>
Equipment under capital leases, net	<u>\$ 252,522</u>

9. LONG-TERM DEBT

Revenue Bonds (direct borrowing) - The Fund issues bonds where the City pledges the Fund's revenues to pay the debt service.

State Revolving Loans Payable (direct placement) - The Fund has special revolving loans payable with the State of Vermont.

Revenue bonds and loans payable outstanding at June 30 are as follows:

	Original Issue <u>Amount</u>	Serial Maturities <u>Through</u>	Interest <u>Rate(s)</u>	Amount Outstanding as of <u>6/30/20</u>
Design and Construction Loan RF3-295	\$ 253,340	11/1/2034	1.00%	\$ 154,450
Water System Revenue Bonds, Series 2017	\$ 3,250,000	11/1/2036	2.00 - 5.00%	3,010,000
Water System Revenue Bonds, Series 2018	\$ 2,000,000	11/1/2038	4.00 - 5.00%	1,940,000
Water System Revenue Bonds, Series 2018B	\$ 2,000,000	11/1/2038	5.00%	<u>1,940,000</u>
Total				<u>\$ 7,044,450</u>

	Original Issue <u>Amount</u>	Serial Maturities <u>Through</u>	Interest <u>Rate(s)</u>	Amount Outstanding as of <u>6/30/19</u>
Design and Construction Loan RF3-295	\$ 253,340	11/1/2034	1.00%	\$ 161,341
Water System Revenue Bonds, Series 2017	\$ 3,250,000	11/1/2036	2.00 - 5.00%	3,130,000
Water System Revenue Bonds, Series 2018	\$ 2,000,000	11/1/2038	4.00 - 5.00%	2,000,000
Water System Revenue Bonds, Series 2018B	\$ 2,000,000	11/1/2038	5.00%	<u>2,000,000</u>
Total				<u>\$ 7,291,341</u>

Maturities are as follows:

Fiscal Year	Direct Borrowing		Direct Placement		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 250,000	\$ 329,375	\$ 7,097	\$ 4,634	\$ 257,097	\$ 334,009
2022	260,000	319,825	7,310	4,421	267,310	324,246
2023	270,000	308,850	7,530	4,201	277,530	313,051
2024	280,000	296,425	7,756	3,975	287,756	300,400
2025	290,000	283,550	7,988	3,743	297,988	287,293
2026 - 2030	1,720,000	1,178,750	43,683	14,972	1,763,683	1,193,722
2031 - 2035	2,190,000	691,500	50,639	8,014	2,240,639	699,514
2036 - 2039	1,630,000	142,000	22,447	1,015	1,652,447	143,015
	<u>\$ 6,890,000</u>	<u>\$ 3,550,275</u>	<u>\$ 154,450</u>	<u>\$ 44,975</u>	<u>\$ 7,044,450</u>	<u>\$ 3,595,250</u>

Changes in long-term debt and other obligations are as follows for the years ended June 30:

	2020					
	Total			Total	Less	Equals
	Balance 7/1/2019	Additions	Reduction	Balance 6/30/2020	Current Portion	Long-Term Portion
Direct borrowing revenue bonds	\$ 7,130,000	\$ -	\$ (240,000)	\$ 6,890,000	\$ (250,000)	\$ 6,640,000
Add: unamortized premium	862,632	-	(46,074)	816,558	(46,074)	770,484
Subtotal	7,992,632	-	(286,074)	7,706,558	(296,074)	7,410,484
Direct placement state revolving loans	161,341	-	(6,891)	154,450	(7,097)	147,353
Net pension liability	1,001,301	70,997	-	1,072,298	-	1,072,298
Total OPEB liability	47,684	81,064	-	128,748	-	128,748
Capital leases	13,086	648,866	(18,706)	643,246	(112,459)	530,787
Compensated absences	144,047	53,095	(2,854)	194,288	(19,429)	174,859
Total	<u>\$ 9,360,091</u>	<u>\$ 854,022</u>	<u>\$ (314,525)</u>	<u>\$ 9,899,588</u>	<u>\$ (435,059)</u>	<u>\$ 9,464,529</u>

	2019					
	Total			Total	Less	Equals
	Balance 7/1/2018	Additions	Reduction	Balance 6/30/2019	Current Portion	Long-Term Portion
Direct borrowing revenue bonds	\$ 5,250,000	\$ 2,000,000	\$ (120,000)	\$ 7,130,000	\$ (240,000)	\$ 6,890,000
Add: unamortized premium	702,912	205,794	(46,074)	862,632	(46,074)	816,558
Subtotal	5,952,912	2,205,794	(166,074)	7,992,632	(286,074)	7,706,558
Direct placement state revolving loans	168,031	-	(6,690)	161,341	(6,891)	154,450
Net pension liability	754,288	247,013	-	1,001,301	-	1,001,301
Total OPEB liability	44,570	3,114	-	47,684	-	47,684
Capital leases	-	20,021	(6,935)	13,086	(6,416)	6,670
Compensated absences	169,079	53,849	(78,881)	144,047	(13,051)	130,996
Total	<u>\$ 7,088,880</u>	<u>\$ 2,529,791</u>	<u>\$ (258,580)</u>	<u>\$ 9,360,091</u>	<u>\$ (312,432)</u>	<u>\$ 9,047,659</u>

The revenue bonds have been issued pursuant to General Bond Resolutions and are collateralized by a pledge of revenues. Pursuant to the General Bond Resolutions, revenues (as defined) means all rates, fees, charges or other income and includes rentals, proceeds of insurance or condemnation or other disposition of assets, proceeds of bonds or notes and earnings from the investment of revenues.

On an annual basis, revenue must be sufficient after deducting operating expenses to meet minimum debt service coverage requirements of 1.25. Revenues for this purpose represent all rates, charges, rents, and other income for debt service. Operating expenses represent O&M (operation and maintenance), excluding depreciation. Certain other exclusions apply. City's Bond Counsel has determined that the effects of GASB 68 and GASB 75 on pension and OPEB expenses are excludable from O&M and, therefore, not included in determining Net Revenues available for debt service. If minimum debt service coverage requirements are not met, the Fund must take timely corrective action. The Fund met the required debt coverage for Fiscal Year 2020 with 3.88 and in Fiscal Year 2019 with 2.54.

10. RESTRICTED NET POSITION

The Fund established a contingency reserve fund for the Series 2017 and Series 2018 bonds pursuant to the General Bond Resolution adopted December 9, 2013. For the years ended June 30, 2020 and 2019, restricted net position was \$863,887 and \$907,429, respectively.

11. RETIREMENT BENEFITS AND RESULTING NET PENSION LIABILITY

Defined Benefit Plan: All full-time employees of the Fund participate in the City of Burlington Employees' Retirement System (the Plan), a cost-sharing, single-employer defined benefit plan. The Fund follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, with respect to the Plan.

Plan Description: Substantially all employees of the Fund are members of the Plan and are classified as Class B members. Eligible employees must participate in the Plan. The City Council has the authority to amend the benefit terms of the Plan by enacting ordinances and sending them to the Mayor for approval.

At June 30, 2020, the Fund reported a net pension liability for its proportionate share of the City's net pension liability per GASB 68. The net pension liability was measured as of June 30, 2019. At June 30, 2020 and 2019, the Fund's proportion was 1.29% and 1.32%, respectively. For more information on the City's plan, see the City of Burlington VT Comprehensive Annual Financial Report.

Benefits Provided: Class B retirees who has attained the age of 55 or older and completed 7 or more years of creditable service (age and years of creditable service vary depending on agreements) are eligible for benefits based on average final earnable compensation (AFC) during either the highest 5 or 3 non-overlapping 12-month periods depending on hiring dates. For details on agreements and AFC, see the City of Burlington, VT Comprehensive Annual Financial Report.

Contributions: The Fund contributed \$122,306 and \$158,374 for the fiscal years ended June 30, 2020 and June 30, 2019, respectively. Beginning in FY19, the City is using the direct rate smoothing method for funding. The Fund's contributions were based on full time equivalents and wages. Employer and employee contribution rates are governed by the respective

collective bargaining agreements. The employer and plan members share the cost of benefits. The plan members contribute 5.51% of the employee's base pay.

Summary of Significant Accounting Policies: 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 position of the Plan was used as reported on the City of Burlington, VT Comprehensive Annual Financial Report. 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.

Actuarial Assumptions: The net pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Payroll growth	3.00% per year
Investment rate of return	7.40% (Prior: 7.50%)

Mortality rates were based on the RP-2014 Adjusted to 2006 Total Dataset Mortality Table, projected to the valuation date with Scale MP-2019.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2012 through June 30, 2017, with discount rate updated from 7.50% to 7.40%.

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses 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 class as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap Core Equity	30.00%	7.50%
SMID Cap Core Equity	18.00%	10.20%
International Equity	10.00%	5.50%
Emerging Markets Equity	10.00%	10.10%
Private Equity	2.00%	10.90%
Real Estate / Timber	10.00%	8.40%
Core Fixed Income	20.00%	3.30%
Total	<u>100.00%</u>	

Nominal long-term expected rates of return for these asset classes are equal to the sum of the above expected long-term real rates and the expected long-term inflation rate of 2.60%.

Discount Rate: The discount rate used to measure the total pension liability was 7.40%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the fiduciary net position was projected to be available to make all future benefit payments to the current plan members.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Fund’s proportionate share of the net pension liability calculated using the discount rate, as well as what the Fund’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower and one percentage-point higher than the current rate:

Fund's net pension liability as of:	1%	Current	
	Decrease	Discount Rate	1% Increase
June 30, 2020	\$ 776,020	\$ 1,072,298	\$ 1,419,085
June 30, 2019	\$ 1,018,518	\$ 1,001,301	\$ 532,606

Deferred Outflows and (Inflows) of Resources: Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized in pension expense for of subsequent fiscal year. Other amounts reported as deferred outflows and (inflows) of resources related to pension are recognized in pension expense in future fiscal years as follows:

Amortization Year	As of June 30, 2020	As of June 30, 2019
2020	\$ -	\$ (3,378)
2021	(75,109)	(92,190)
2022	38,625	19,840
2023	7,952	(9,270)
2024	11,494	-
	<u>\$ (17,038)</u>	<u>\$ (84,998)</u>

Pension Plan Fiduciary Net Position: Detailed information about the pension plan’s fiduciary net position is available in the separately issued City of Burlington financial report. No separate stand-alone report is issued for the pension system. Further disclosures about the Plan are included in the City of Burlington’s Comprehensive Annual Financial Report.

Further disclosures about the Pension Plan are included in the City of Burlington, Vermont’s Comprehensive Annual Financial Report.

12. OTHER POST-EMPLOYMENT BENEFITS (OTHER THAN PENSION) – OPEB GASB 75

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, replaces the requirements of *Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred (inflows) of resources, and expenses. This Statement identifies the methods and assumptions that are required to be used to project benefit payments, discounted projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

General Information about the OPEB Plan

Plan Description

In addition to providing the pension benefits described, the City provides postemployment healthcare and life insurance benefits for retired employees through the City's plan.

In addition, the City allows certain retired employees to purchase health insurance through the City at the City's group rates. GASB No. 75 recognizes this as an implied subsidy and requires accrual of this liability.

Benefits Provided

The City provides medical, prescription drug, mental health/substance abuse and life insurance to retirees and their covered dependents. All active employees who retire from the City and meet the eligibility criteria may receive these benefits.

Funding Policy

The Plan Sponsor's Funding Policy is to contribute the employer portion of retiree benefit payments annually.

Contributions

Employer and employee contribution rates are governed by the respective collective bargaining agreements. The OPEB plan is currently funded on a pay-as-you-go basis. The employer and plan members share the cost of benefits. The plan members contribute 5.51% of the monthly premium cost, depending on the plan in which they are enrolled. The Fund contributes the balance of the premium costs.

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60% per year. This assumption is consistent with the Social Security Administration's current best estimate of the ultimate long-term annual percentage increase in CPI, as published in the 2019 OASDI Trustees Report.
Rate of annual aggregate payroll growth	2.60%, per year
Discount rate	2.21% as of June 30, 2020 (Prior: 3.51%)
Healthcare cost trend rates	6.50% in 2019, reducing by 0.2% each year to an ultimate rate of 4.60% per year rate for 2029 and later.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2017.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.21% and 3.51%, for the years ending June 30, 2020 and 2019, respectively.

Since the OPEB plan is not funded, the selection of the discount rate is consistent with the GASB 75 standards linking the discount rate to the 20- year AA municipal bond index for unfunded OPEB plans. The discount rate used for the valuation is equal to the published Bond Buyer general obligation 20 year-Bond Municipal Index effective as of June 30, 2020 and 2019.

Total OPEB Liability

The Fund's total year-end OPEB liabilities were \$128,748 and \$47,684 as of June 30, 2020 and June 30, 2019, respectively. The OPEB liabilities as of June 30, 2020 and June 30, 2019 were determined by actuarial valuations as of June 30, 2019 and June 30, 2017, respectively.

Changes in the Total OPEB Liability

Detailed information about the changes in total OPEB liability is available in the separately issued City of Burlington, Vermont's Comprehensive Annual Financial Report.

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

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

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
2020 Total OPEB liability	\$147,289	\$128,748	\$113,407
2019 Total OPEB liability	\$53,333	\$47,684	\$42,805

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

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
2020 Total OPEB liability	\$116,762	\$128,748	\$143,352
2019 Total OPEB liability	\$43,882	\$47,684	\$52,199

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

For the years ended June 30, 2020 and 2019, the Fund recognized an OPEB expense of \$11,568 and \$3,675, respectively. The remaining amounts reported as deferred outflows and deferred (inflows) will be recognized in OPEB expense over the next 6 years.

Further disclosures about the OPEB Plan are included in the City of Burlington, Vermont’s Comprehensive Annual Financial Report.

13. DEFERRED COMPENSATION PLAN

The Department offers its employees a deferred compensation plan administered through the City in accordance with Section 457 of the Internal Revenue Code (IRC). The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or for “unforeseeable emergency” as defined by IRS guidelines. The assets of the plan are not included in the accompanying Comprehensive Annual Financial Report.

14. RELATED PARTY TRANSACTIONS

During the year departments of the City bill the Fund pursuant to City ordinances and for services received. Related party transactions for the years ended June 30, 2020 and 2019 were as follows:

<u>Entity Paid by Water</u>	<u>Description of Service</u>	<u>2020</u>	<u>2019</u>
General Fund:			
Public Works Department	Administrative costs for water division operations	\$ 60,050	\$ 57,029
Public Works Department	Facility charges	\$ 35,021	\$ 35,021
Public Works Department	Equipment maintenance	\$ 101,362	\$ 171,082
Public Works Department	Excavation fees	\$ 50,000	\$ 50,000
Clerk/Treasurer's Office	Payment in lieu of taxes (PILOT) ⁽¹⁾	\$ 457,193	\$ 443,297
Clerk/Treasurer's Office	Administration and risk management fees, approved via budget process	\$ 241,694	\$ 214,700
City Attorney	Legal fees	\$ 19,970	\$ 15,980
Stormwater	Stormwater usage	\$ 5,104	\$ 5,226
Telecom	Data, internet, phone usage	\$ 35,634	\$ 35,729
Burlington Electric Department	Electricity usage	\$ 407,181	\$ 415,043

⁽¹⁾ The Fund's physical plan is exempt from property taxes. The PILOT is determined annually by the City Clerk/Treasurer's office per City ordinance. The calculation is based on the capital investment of the Fund.

15. COMMITMENTS AND CONTINGENCIES

COVID-19 - The COVID-19 outbreak in the United States (and across the globe) has resulted in economic uncertainties. There is considerable uncertainty around the duration and scope of the economic disruption. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on individuals served by the Wastewater employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain.

Grants - Amounts received or receivable from grantor agencies, including possible grant assurance violations at the Fund, are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenses which may be disallowed by the grantor cannot be determined at this time, although the Fund expects such amounts, if any, to be immaterial.

16. RISK MANAGEMENT

The Fund is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employee; and natural disasters. The Fund manages these risks through a combination of commercial insurance packages and through the City's risk management program.

The City carries commercial insurance to cover its property, casualty and general liability risks. Commercial property insurance, inland marine and employment practices insurance coverage is provided by Travelers and is offered on a guaranteed cost basis with a deductible of \$50,000.

All of the City's self-insurance programs are administered by a third-party administrator, which processes and pays the claims and then bills the City for the amount of the total claims paid.

The costs associated with these self-insurance plans are budgeted in the City's General Fund and allocated to the Fund based on the following:

<u>Type</u>	<u>Allocation Method</u>
Worker's compensation	50% Experience and 50% Exposure
Health	Number of employees and levels of coverage
Dental	Actual claims and administrative fees paid
Liability	Adjusted operating budgets
Property	Insured value of city structures

The City has elected to pay actual unemployment claims instead of enrolling in an unemployment insurance program. The fund paid \$5,556 in unemployment claims during fiscal year 2020 and did not pay any in fiscal year 2019.

17. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 25, 2020, which is the date the financial statements were available to be issued.

18. NEW ACCOUNTING PRONOUNCEMENTS

The Fund is currently evaluating the impact of the implementation of GASB No. 87 on its financial statements.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 87, Leases, effective for the Fund beginning with its fiscal year ending June 30, 2022. This statement establishes new reporting and disclosure requirements, including the recording of various operating leases in the financial statements.

**CITY OF BURLINGTON, VERMONT
BURLINGTON WATER
SCHEDULE OF PROPORTIONATE SHARE (GASB 68)
OF THE NET PENSION LIABILITY
REQUIRED SUPPLEMENTARY INFORMATION**

(Unaudited)

Burlington Employees' Retirement System

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2020	June 30, 2019	1.29%	\$1,072,296	\$1,311,943	81.73%	70.00%
June 30, 2019	June 30, 2018	1.32%	\$1,001,301	\$1,240,307	80.73%	71.41%
June 30, 2018	June 30, 2017	0.86%	\$754,288	\$1,200,056	62.85%	66.77%
June 30, 2017	June 30, 2016	1.92%	\$1,712,439	\$1,172,612	146.04%	63.75%
June 30, 2016	June 30, 2015	1.72%	\$1,169,736	\$1,033,848	113.14%	70.35%
June 30, 2015	June 30, 2014	1.47%	\$790,242	\$1,033,848	76.44%	75.00%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent See Independent Auditors' Report.

**CITY OF BURLINGTON, VERMONT
BURLINGTON WATER**

**SCHEDULE OF PENSION CONTRIBUTIONS (GASB 68)
REQUIRED SUPPLEMENTARY INFORMATION**

(Unaudited)

Burlington Employees' Retirement System

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2020	\$ 122,306	\$ 122,306	\$ -	\$ 1,746,593	7%
June 30, 2019	\$ 158,374	\$ 158,374	\$ -	\$ 1,311,943	12%
June 30, 2018	\$ 146,939	\$ 146,939	\$ -	\$ 1,240,307	12%
June 30, 2017	\$ 175,734	\$ 175,734	\$ -	\$ 1,200,056	15%
June 30, 2016	\$ 151,712	\$ 151,712	\$ -	\$ 1,172,612	13%
June 30, 2015	\$ 130,962	\$ 130,962	\$ -	\$ 1,033,848	13%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report.

**CITY OF BURLINGTON, VERMONT
BURLINGTON WATER**

**SCHEDULE OF PROPORTIONATE SHARE OF TOTAL OPEB LIABILITY (GASB 75)
REQUIRED SUPPLEMENTARY INFORMATION**

(Unaudited)

City OPEB Plan

Fiscal Year	Measurement Date	Proportion of the Total OPEB Liability	Proportionate Share of the Total OPEB Liability	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2020	June 30, 2020	1.9554%	\$128,748	\$847,259	15.20%
June 30, 2019	June 30, 2019	0.8938%	\$47,684	\$880,156	5.42%
June 30, 2018	June 30, 2018	0.8938%	\$44,570	\$857,852	5.20%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report.