

CITY OF BURLINGTON VERMONT
COMPREHENSIVE ANNUAL
FINANCIAL REPORT



FOR FISCAL YEAR ENDED
JUNE 30, 2020

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CITY OF BURLINGTON, VERMONT
Comprehensive Annual Financial Report
For the Year Ended June 30, 2020



Prepared by:
The Clerk Treasurer Office

Rich Goodwin
Director of Financial Operations

Ann Barton
Comptroller

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CITY OF BURLINGTON, VERMONT

TABLE OF CONTENTS

	<u>PAGE</u>
<u>INTRODUCTORY SECTION:</u>	
Transmittal Letter	3
Organization Chart	8
Principal Officials	9
Department and Division Heads	10
Certificate of Achievement	11
<u>FINANCIAL SECTION:</u>	
INDEPENDENT AUDITORS' REPORT	15
MANAGEMENT'S DISCUSSION AND ANALYSIS	21
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	33
Statement of Activities	35
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	37
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities in the Statement of Net Position	38
Statement of Revenues, Expenditures, and Changes in Fund Balances	39
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	40
General Fund Statement of Revenues and Other Sources, and Expenditures and Other Uses - Budget and Actual	41
Proprietary Funds:	
Statement of Net Position	42
Statement of Revenues, Expenses, and Changes in Fund Net Position	44

Statement of Cash Flows	45
Fiduciary Funds:	
Statement of Fiduciary Net Position	47
Statement of Changes in Fiduciary Net Position	48
Notes to Financial Statements	49
REQUIRED SUPPLEMENTARY INFORMATION	
Pension:	
Schedule of Proportionate Share of the Net Pension Liability (GASB 68)	128
Schedule of Pension Contributions (GASB 68)	129
Schedule of Changes in the Employers' Net Pension Liability (GASB 67)	130
OPEB:	
Schedules of Changes in Total OPEB Liability and Contributions	131
Schedules of Changes in Total OPEB Liability and Contributions (BSD)	132
SUPPLEMENTARY STATEMENTS AND SCHEDULES	
Combining Financial Statements:	
Governmental Funds:	
Combining Balance Sheet – Nonmajor Governmental Funds	139
Combining Statement of Revenues, Expenditures, and Changes in Fund Equity – Nonmajor Governmental Funds	144
Proprietary Funds:	
Combining Statement of Net Position – Nonmajor Proprietary Funds	150
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Nonmajor Proprietary Funds	152
Combining Statement of Cash Flows – Nonmajor Proprietary Funds	153
Fiduciary Funds:	
Combining Statement of Fiduciary Net Position – Private Purpose Trust Funds	155

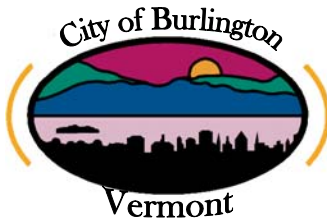
Combing Statement of Change in Fiduciary Net Position – Private Purpose Trust Funds	156
<u>STATISTICAL SECTION:</u>	
<i>Financial Trends</i>	
Net Position by Component – Last Ten Years	160
Changes in Net Position – Last Ten Years	161
Fund Balances of Governmental Funds – Last Ten Years	163
Changes in Fund Balances of Governmental Funds – Last Ten Years	164
<i>Revenue Capacity</i>	
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	165
Property Tax Rates – Direct and Overlapping Governments - Last Ten Fiscal Years	166
Principal Property Taxpayers – Current Year and Nine Years Ago	167
Property Tax Levies and Collections – Last Ten Fiscal Years	168
<i>Debt Capacity</i>	
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	169
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	170
Direct and Overlapping Governmental Activities Debt	171
Legal Debt Margin Information	172
Airport Enterprise Fund Bond Coverage – Last Ten Fiscal Years	173
<i>Demographic and Economic Information</i>	
Demographic and Economic Indicators – Last Ten Years	174
Principal Employers – Current Year and Nine Years Ago	175
<i>Operating Information</i>	
Full Time Equivalent Employees by Function/Program – Last Ten Years	176
Operating Indicators by Function/Program – Last Ten Years	177
Capital Asset Statistics by Function/Program – Last Ten Years	178

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**INTRODUCTORY
SECTION**



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OFFICE OF THE CLERK/TREASURER City of Burlington

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February 19, 2021

Mayor and City Council
City of Burlington
149 Church Street
Burlington, Vermont 05401

To the Citizens, Mayor, and City Council of the City of Burlington:

The Comprehensive Annual Financial Report of the City of Burlington for the Fiscal Year ended June 30, 2020, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the following data, including financial statements, supporting schedules and statistical tables, is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City. To provide a reasonable basis for making representations, management has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and compile sufficient reliable information to the preparation of the financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Fiscal year 2020 represents the fifth year that the City of Burlington has compiled a Comprehensive Annual Financial Report (CAFR). The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Burlington for its Comprehensive Annual Financial Report for the fiscal year ending June 30, 2019. The compilation of this report required a substantial time investment by the Clerk/Treasurer's Office, but we are proud to continue our commitment to expanded disclosures of our financial position and results of operations.

The Certificate of Achievement is valid for a period of one year only. We believe that this CAFR conforms to the standards required for the certificate and will be submitting it to the GFOA for review.

City Charter, as well as State statutes, requires an annual audit by independent certified public accounts. The City's audit firm is Melanson. The independent auditors' report is located at the front of the financial section of this report. In addition, the audit was designed to meet the requirements

of Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (the Uniform Guidance), as applicable. Information related to the Single Audit, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations, is not included in this year's CAFR but is available in a separate report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it for additional narrative overview and analysis of the City's activities.

THE CITY OF BURLINGTON

The source for this section is the *Introduction to Official Statement*, dated December 10, 2019.

Description of the City

The City of Burlington, Vermont (the "City") is the largest city in Vermont and located in northwestern Vermont on the eastern shore of Lake Champlain directly across from northern New York State. The City is the commercial center of Chittenden County and encompasses 16 square miles. The City is 90 miles south of Montreal, Quebec, 220 miles northwest of Boston, Massachusetts, and 300 miles north of New York, New York.

Highways serving Burlington include State Highways 2 and 7 and Interstates U.S. 89 and 189. The Lake Champlain Transportation Company operates ferries on Lake Champlain between Vermont and New York.

The Burlington International Airport serves over 1.2 million passengers per year and accommodates non-stop air service to all three New York City metropolitan area airports, Philadelphia, both Washington D.C. airports, Chicago, Atlanta, Charlotte, NC, Orlando/Sanford, FL, Detroit, and seasonally to Toronto. Passengers can reach nearly any destination world-wide with just one connection from Burlington.

Bus service is provided by Greyhound Lines, Megabus, and Vermont Trans Lines (operated by Vermont Agency of Transportation). Freight service is provided by the Vermont Railway Corporation and Rail America. Green Mountain Transit, which represents Burlington, Essex, South Burlington, Shelburne, Williston, Winooski, Milton, Hinesburg and a portion of Colchester provides local bus service. LINK Express routes serve Montpelier, Middlebury, and St. Albans commuters.

Form of Government

Burlington was incorporated as a City in 1865. On November 7, 2000, voters approved amendments to the City Charter which provided for direct Mayoral appointment of department heads with City Council confirmation, clarified the Mayor's authority as the City's Chief

Executive Officer, established the position of Chief Administrative Officer, and provided that City commissions would become advisory except when authority was re-delegated by the City Council.

About the Burlington Community

Located between the highest section of the Green Mountains and the widest part of Lake Champlain, the City of Burlington enjoys superb scenery and outstanding year-round recreational opportunities.

Cultural activities abound and are encouraged by the participation of businesses, educational institutions, and government. Several theaters for the performing arts, theater troupes, museums, fairs, and festivals fill the City's cultural calendar, while Burlington City Arts, a City Department, provides a well-known gallery for the display of contemporary art, as well as events including music, film, and performance.

The University of Vermont Medical Center is the state's academic medical center and serves approximately one million people in Vermont and New York. UVM Medical Center includes three founding organizations – Medical Center Hospital of Vermont, Fanny Allen Hospital, and University Health Center – and the UVM College of Medicine. The Vermont Regional Cancer Center and the Vermont-New Hampshire Regional Red Cross Blood Center are also located in Greater Burlington.

Burlington is also known throughout the state and the nation for its innovative and entrepreneurial spirit. The City of Burlington was the first city in the country to use 100% renewable energy for the electricity needs of its residents. The Burlington International Airport is leading the industry with its continued amenity upgrades, such as the Mamava nursing mothers' pod, green roof (including solar panels and a garden), as well as free wifi and convenient access. Meanwhile, a range of notable companies, from Seventh Generation to Dealer.com to Burton, are proud to call Burlington home.

Burlington is regularly recognized in nationally published periodicals as one of the best places to live. The City's location, economic climate, and abundance of community resources contributed to its award as the most livable city in America for cities of less than 100,000 people by the U.S. Conference of Mayors in 1989. Since then, the City has enjoyed numerous awards from national publications recognizing the City for its beauty, sustainability, and livability.

City Services

The City provides municipal services including police and fire protection, emergency medical services, street construction and maintenance, solid waste management, traffic signalization, planning and zoning, community and economic development, parks and recreation, library services, youth services, arts programs, educational and general administrative services. The City also operates the following enterprise funds: (1) electric, (2) water, (3) sewage collection and treatment, (4) airport facilities services.

Economic Activity

The Greater Burlington area, which includes the City of Burlington and all of Chittenden County, is Vermont's major economic area. Most of the County's nonagricultural employment lies within the three-community region of Burlington, Essex and South Burlington. Manufacturing employment represents approximately 10% of the nonagricultural employment in the Burlington area labor market. Non-manufacturing employment accounts for approximately 90% of employment. Education and health services, government and trade are principal areas of non-manufacturing employment in the Greater Burlington area.

Chittenden County has provided the bulk of the State's economic growth over the past ten years, which is reflected in the area's employment statistics. The Burlington Labor Market Area had an annual unemployment rate of 8.6% in June 2020. The State's unemployment rate was 9.4% as of June 2020.

Employment Data

The Greater Burlington area possesses a growing, educated work force with skills in a variety of areas. To keep a supply of workers skilled to meet the needs of new and existing business and industry, the State of Vermont assists with tuition-free training of new Vermont employees. Educational institutions, such as the University of Vermont, provide customized training programs and continuing education required by technicians and others in rapidly changing technological fields.

Housing Market

Since 2010 and through December 2019, the median sales price of single family homes in Burlington increased 37% to \$330,000. During that same period, median condominium sales prices have increased 31% to \$273,000. The City contains approximately 6,205 owner-occupied housing units, accounting for 15% of Chittenden County's 40,386 owner-occupied units. The number of single family primary residences sold in Burlington has remained relatively stable since tracking data began in 1988, though 2015 showed a 25% increase against the average. In 2019, there were 211 single family home sales and 123 residential condominium sales.

A number of homes sold in Burlington that fall below the median sale price are purchased through Champlain Housing Trust ("CHT") or Green Mountain Habitat for Humanity. CHT and Green Mountain Habitat for Humanity have placed resale restriction covenants on over 248 homes in Burlington. These organizations receive operating or development grants from the City in order to ensure an adequate supply of homes for low and moderate income residents.

The rental housing market in Burlington remains very strong, though low vacancy rates pose a challenge for prospective renters. According to a July 2019 Allen & Brooks Report, Burlington's rental vacancy rate is 1.4%. The low vacancy rate pushes demand for rental housing up which results in increased rental rates. Various forms of rental housing assistance for low to moderate-income households are provided by the Burlington Housing Authority, Champlain Housing Trust, and several other nonprofit housing corporations.

Vermont enjoys a low foreclosure rate relative to the national average, but saw an increase in foreclosures throughout the summer of 2015 for a foreclosure rate of 1 in every 4,363 homes; as of September 2019, Chittenden County enjoys a slightly lower rate of 1 in every 11,409. Burlington has seen a steady decline in foreclosures since 2009, when 40 homes went into foreclosure in the wake of the economic recession.

Acknowledgements

This report reflects the City’s commitment to improve and maintain financial statements in conformity with the highest standards of accountability. The strong financial position and excellent financial results reflected in this report would not have been possible without the leadership and fiscal policies established by the Mayor, City Council, Chief Administration Officer, and the hard work and dedication of the finance and accounting team.

Respectfully submitted,

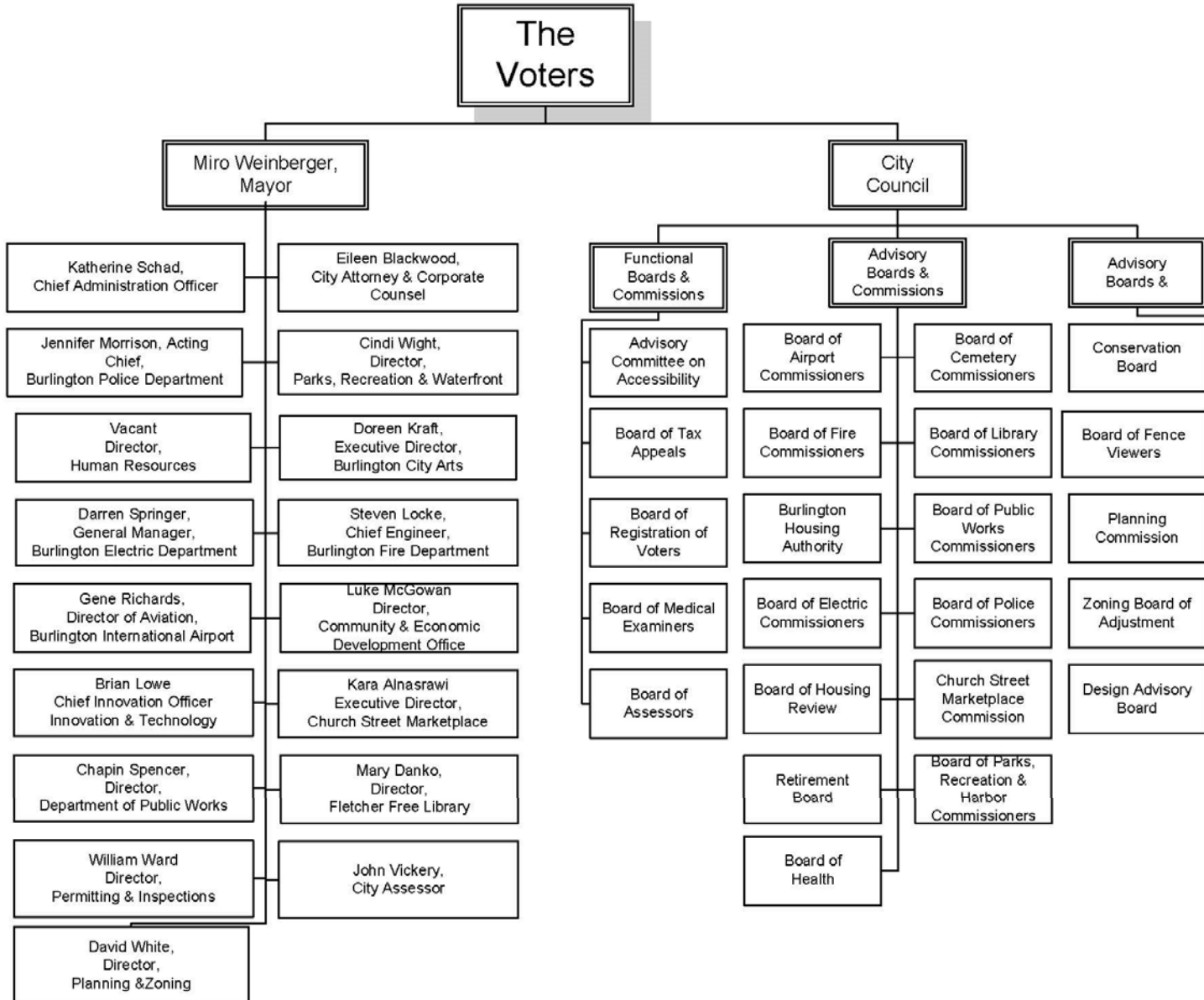


Rich Goodwin
Director of Financial Operations



Ann Barton
Comptroller

City of Burlington Organizational Chart



**CITY OF BURLINGTON, VERMONT
PRINCIPAL OFFICIALS**

		<u>Initial Term Commenced</u>	<u>Current Term Expires</u>
<i>Miro Weinberger</i>	<i>Mayor</i>	2012	2021

City Council

<i>Zoraya Hightower</i>	<i>Ward 1</i>	2020	2022
<i>Max Tracy, President</i>	<i>Ward 2</i>	2012	2022
<i>Brian Pine</i>	<i>Ward 3</i>	2018	2022
<i>Sarah Carpenter</i>	<i>Ward 4</i>	2020	2022
<i>William “Chip” Mason</i>	<i>Ward 5</i>	2012	2022
<i>Karen Paul</i>	<i>Ward 6</i>	2008	2022
<i>Ali Deng</i>	<i>Ward 7</i>	2017	2022
<i>Jane Stromberg</i>	<i>Ward 8</i>	2020	2022
<i>Jack Hanson</i>	<i>East District</i>	2018	2021
<i>Perri Freeman</i>	<i>Central District</i>	2018	2021
<i>Franklin Paulino</i>	<i>North District</i>	2018	2021
<i>Joan Shannon</i>	<i>South District</i>	2003	2021

City Administration

<i>Katherine Schad</i>	<i>Chief Administrative Officer</i>
<i>Eileen Blackwood, Esq.</i>	<i>City Attorney</i>
<i>Amy Bovee</i>	<i>Assistant City Clerk</i>
<i>Lori Olberg</i>	<i>License / Voter / Records Coordinator</i>
<i>John Vickery</i>	<i>City Assessor</i>

Accounting and Finance

<i>Rich Goodwin</i>	<i>Director of Financial Operations</i>
<i>Ann Barton</i>	<i>Comptroller</i>
<i>Darlene Bayko</i>	<i>Banking and Cash Operations Manager</i>
<i>Laurie Thompson</i>	<i>Payroll Manager</i>

**CITY OF BURLINGTON, VERMONT
DEPARTMENT AND DIVISION HEADS**

OFFICE OF THE MAYOR	
Mayor	Miro Weinberger
CLERK TREASURER'S OFFICE	
Chief Administrative Officer	Katherine Schad
Director of Financial Operations	Rich Goodwin
Comptroller	Ann Barton
LEGAL	
City Attorney & Corporate Counsel	Eileen Blackwood, Esq
INNOVATION & TECHNOLOGY	
Chief Innovation Officer	Brian Lowe
HUMAN RESOURCES	
Director of Human Resources	vacant
POLICE DEPARTMENT	
Chief of Police	Jennifer Morrison
Deputy Chief	John Murad
Deputy Chief	Matthew Sullivan
FIRE DEPARTMENT	
Chief Engineer	Steven Locke
Deputy Chief of Administration	Peter Brown
Deputy Chief of Operations	vacant
DEPARTMENT OF PUBLIC WORKS	
Director	Chapin Spencer
City Engineer/Assistant Director Technical Services	Norman Baldwin
Assistant Director Maintenance Division	Lee Perry
Assistant Director Parking and Traffic Division	Jeff Padgett
Assistant Director Water Resources	Megan Moir
CODE ENFORCEMENT	
Code Enforcement Director	William Ward
PARKS, RECREATION & WATERFRONT	
Director	Cindi Wight
Waterfront Superintendent and Harbormaster	Erin Moreau
COMMUNITY & ECONOMIC DEVELOPMENT OFFICE	
Director	Luke McGowan
FLETCHER FREE LIBRARY	
Director	Mary Danko
SCHOOL DEPARTMENT	
Superintendent	John Flanagan
ASSESSOR'S OFFICE	
City Assessor	John Vickery
BURLINGTON INTERNATIONAL AIRPORT	
Director of Aviation	Eugene Richards
CHURCH STREET MARKETPLACE	
Executive Director	Kara Alnasrawi
BURLINGTON CITY ARTS	
Executive Director	Doreen Kraft
BURLINGTON ELECTRIC DEPARTMENT	
General Manager	Darren Springer
PLANNING & ZONING	
Director	David White



Government Finance Officers Association

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**City of Burlington
Vermont**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

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**FINANCIAL
SECTION**



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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council
City of Burlington, Vermont

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Burlington, Vermont (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

The City'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 opinions on these financial statements based on our audit. We did not audit the financial statements of the Burlington Electric Enterprise Fund which represents 37 percent, 23 percent, and 61 percent, of the assets and deferred outflows, net position and revenues of the business-type activities respectively. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Burlington Electric Enterprise Fund and its effects on the business-type activities, is based solely on the report of the other auditors. Also, we did not audit the financial statements of the Burlington School District, a discretely presented component unit. The financial statements of Burlington School District were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the School District is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



The financial statements of the Burlington Electric Department, a major proprietary fund, were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the City, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, and certain 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.



Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 19, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

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

Merrimack, New Hampshire
February 19, 2021

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BASIC FINANCIAL STATEMENTS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Burlington (the City), we offer readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2020.

A. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all assets, liabilities, and deferred outflows/inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, earned but unused vacation leave, and net pension liability).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, public works, culture and recreation, and community development. The business-type activities include the operation of the Airport, Electric, Water, Wastewater, and Stormwater Utilities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal

requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

An annual appropriated budget is adopted for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. Proprietary fund reporting focuses on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. The proprietary fund category includes enterprise funds.

Enterprise funds are used to report activity for which a fee is charged to external users, and must be used when one of the following criteria are met: (1) activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges, (2) laws or regulations require the activity's cost of providing services be recovered with fees and charges, and (3) the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs such as depreciation or debt service. The primary focus on these criteria is on fees charged to external users. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. Specifically, enterprise funds are used to account for Airport, Electric, Wastewater, Water, and Stormwater. The proprietary fund financial statements provide separate information for the Airport and Electric which are considered to be major funds.

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

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America.

B. FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$355,941,012 (net position), a change of \$3,083,203 in comparison to the prior year.
- Total net position of the City’s component unit, the Burlington School District, amounted to \$23,131,231, an increase of \$4,229,149 for the year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$60,892,900, a change of \$1,691,469 in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$8,618,219, a change of (\$878,988) in comparison to the prior year.
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$20,195,416.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of condensed government-wide financial data for the current and prior fiscal years.

	<u>NET POSITION (000s)</u>					
	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current and other assets	\$ 81,899	\$ 77,657	\$ 127,086	\$ 116,311	\$ 208,985	\$ 193,968
Capital assets	169,554	159,333	320,415	313,126	489,969	472,459
Total assets	251,453	236,990	447,501	429,437	698,954	666,427
Deferred outflows of resources	14,120	19,846	4,450	6,651	18,570	26,497
Total assets and deferred outflows of resources	\$ <u>265,573</u>	\$ <u>256,836</u>	\$ <u>451,951</u>	\$ <u>436,088</u>	\$ <u>717,524</u>	\$ <u>692,924</u>
Long-term liabilities outstanding	\$ 158,685	\$ 139,295	\$ 150,413	\$ 158,882	\$ 309,098	\$ 298,177
Other liabilities	9,353	9,497	31,244	14,611	40,597	24,108
Total liabilities	168,038	148,792	181,657	173,493	349,695	322,285
Deferred inflows of resources	4,642	12,537	7,246	5,244	11,888	17,781
Net position:						
Net investment in capital assets	96,008	97,958	211,158	206,505	307,166	304,463
Restricted	16,942	15,220	26,048	25,574	42,990	40,794
Unrestricted	(20,057)	(17,671)	25,842	25,272	5,785	7,601
Total net position	92,893	95,507	263,048	257,351	355,941	352,858
Total liabilities, deferred inflows of resources and net position	\$ <u>265,573</u>	\$ <u>256,836</u>	\$ <u>451,951</u>	\$ <u>436,088</u>	\$ <u>717,524</u>	\$ <u>692,924</u>

CHANGES IN NET POSITION (000s)

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues:						
Program revenues:						
Charges for services	\$ 22,589	\$ 25,485	\$ 90,447	\$ 103,022	\$ 113,036	\$ 128,507
Operating grants and contributions	3,840	4,990	2,423	325	6,263	5,315
Capital grants and contributions	2,850	2,793	8,748	10,484	11,598	13,277
General revenues:						
Property taxes	37,873	35,648	-	-	37,873	35,648
Rooms and meals tax	3,128	4,296	-	-	3,128	4,296
Local sales option tax	2,501	2,520	-	-	2,501	2,520
Payment in lieu of tax	5,749	5,726	-	-	5,749	5,726
Franchise fees	2,076	2,138	-	-	2,076	2,138
Impact fees	605	508	-	-	605	508
Interest and penalties on delinquent taxes	431	499	-	-	431	499
Nonoperating grants	-	-	990	1,096	990	1,096
Investment income	911	723	444	537	1,355	1,260
Dividends from associated companies	-	-	4,269	4,283	4,269	4,283
Other revenue	924	1,934	169	1,445	1,093	3,379
Total revenues	<u>83,477</u>	<u>87,260</u>	<u>107,490</u>	<u>121,192</u>	<u>190,967</u>	<u>208,452</u>
Expenses:						
Governmental activities:						
General government	13,762	14,433	-	-	13,762	14,433
Public safety	34,538	30,903	-	-	34,538	30,903
Public works	15,614	18,170	-	-	15,614	18,170
Culture and recreation	13,223	13,289	-	-	13,223	13,289
Community development	5,791	4,841	-	-	5,791	4,841
Interest on long-term debt	3,187	3,452	-	-	3,187	3,452
Business-type activities:						
Electric	-	-	61,752	65,189	61,752	65,189
Airport	-	-	23,078	23,491	23,078	23,491
Non-major	-	-	16,145	22,087	16,145	22,087
Total expenses	<u>86,115</u>	<u>85,088</u>	<u>100,975</u>	<u>110,767</u>	<u>187,090</u>	<u>195,855</u>
Change in net position before transfers, additions to permanent fund principal, and special items	(2,638)	2,172	6,515	10,425	3,877	12,597
Additions to permanent funds	2	17	-	-	2	17
Transfers in / (out)	22	7,931	(22)	(7,931)	-	-
Special items	-	-	(796)	(607)	(796)	(607)
Change in net position	<u>(2,614)</u>	<u>10,120</u>	<u>5,697</u>	<u>1,887</u>	<u>3,083</u>	<u>12,007</u>
Net position - beginning of year	<u>95,507</u>	<u>85,387</u>	<u>257,351</u>	<u>255,464</u>	<u>352,858</u>	<u>340,851</u>
Net position - end of year	<u>\$ 92,893</u>	<u>\$ 95,507</u>	<u>\$ 263,048</u>	<u>\$ 257,351</u>	<u>\$ 355,941</u>	<u>\$ 352,858</u>

The largest portion of net position \$307,165,743 reflects our investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to

repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position of \$42,990,461 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$5,784,808 represents a combination of our governmental activities and business-type activities or enterprise funds. Our governmental activities unrestricted net position is (\$20,057,332). The negative balance primarily results from recognizing our Net Pension Liability in accordance with Governmental Accounting Standards Board (GASB) Statement Number 68, *Accounting and Financial Reporting for Pensions*. See financial statement notes for additional information. Our business-type activities unrestricted net position is \$25,842,140. About 60% of this balance is derived from our Electric Enterprise Fund.

Governmental activities. Governmental activities for the year resulted in a change in net position of (\$2,614,053). This is primarily due to the decrease in charges for services of \$2,896,001 or 11% from the prior year due to the COVID-19 pandemic. The major revenue stream affected was fees from parks and recreation services and events. Other revenue streams affected were parking fees and license and permits.

Business-type activities. Business-type activities for the year resulted in a change in net position of \$5,697,256. Key elements of this change are discussed in Section D of the Management’s Discussion and Analysis.

D. FINANCIAL ANALYSIS OF THE CITY’S FUNDS

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$60,892,900, a change of \$1,691,469 in comparison to the prior year. Key elements of this change are as follows:

General fund change in fund balance	\$ 4,180,601
Telecom proceeds transfer out	(5,754,103)
Increase in capital project fund balance (mostly due to new bond issuances)	3,452,969
Other	<u>(187,998)</u>
Total	<u><u>\$ 1,691,469</u></u>

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$8,618,219, while total fund balance was \$26,243,608.

As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Refer to the table below and Note 2A.

<u>City General Fund</u>	<u>6/30/20</u>	<u>6/30/19</u>	<u>Change</u>	<u>% of Total General Fund Expenditures</u>
Unassigned fund balance	\$ 8,618,219	\$ 9,497,207	\$ (878,988)	12.9%
Total fund balance	\$ 26,243,608	\$ 22,063,007	\$ 4,180,601	39.4%

Gross receipts and property taxes were short of budget by \$1,800,268 due to the reduction in tourism and temporary closing of restaurants throughout the City. The City’s tax billing on June 12th was delayed due to COVID-19 by thirty days, increasing deferred revenues and decreasing corresponding revenues.

The City’s general fund saw a revenue shortfall in charges for services of \$1,361,053, mostly due to the decrease in fees for services within the City’s culture and recreation departments due to COVID-19. As a result, the City curved spending to offset loss in revenues.

The following table summarizes the activity in the general fund unassigned fund balance:

Unassigned fund balance, June 30, 2019	\$ 9,497,207
Budgeted surplus	(68,308)
Actual revenues greater than budgeted	(1,118,094)
Actual expenditures less than budgeted	<u>5,367,006</u>
Subtotal	13,677,811
Decrease in non-spendable fund balance	589,327
Increase to restricted fund balance	(4,721,854)
Increase to committed fund balance	(109,420)
Increase to assigned fund balance	<u>(817,645)</u>
Unassigned fund balance, June 30, 2020	<u>\$ 8,618,219</u>

Proprietary funds. Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail.

A comparison of the unrestricted net position of each enterprise compared to the prior year is show below:

	<u>Unrestricted Net Position</u>		
	<u>6/30/20</u>	<u>6/30/19</u>	<u>Change</u>
Electric	\$ 15,729,751	\$ 13,494,339	\$ 2,235,412
Airport	3,523,195	6,065,565	(2,542,370)
Nonmajor funds:			
Wastewater	2,629,752	2,371,815	257,937
Water	3,024,356	2,564,448	459,908
Stormwater	935,086	776,009	159,077
Total	<u>\$ 25,842,140</u>	<u>\$ 25,272,176</u>	<u>\$ 569,964</u>

Specific factors concerning the finances of each proprietary fund are discussed below:

- The Electric Department net position at June 30, 2020 decreased by (\$971,710) when compared to net position at June 30, 2019 primarily due to less operating revenues in 2020 driven by the COVID-19 pandemic. For additional information, please refer the separate financial statements issued for the Electric Enterprise Fund.
- The Burlington International Airport’s unrestricted net position decreased from the previous year primarily due to a decrease in operating revenues a result of the COVID-19 pandemic which directly impacted enplanements, thus reducing revenues. For additional information, please refer the separate financial statements issued for the Airport Enterprise Fund.
- The net increase in the Wastewater, Water and Stormwater Funds (which are managed on a combined basis) is primarily the result of operations due to increased user fees. For additional information, please refer the separate financial statements issued for the Wastewater and Water Enterprise Funds.

E. GENERAL FUND BUDGETARY HIGHLIGHTS

The City approved a fiscal year 2020 budget of \$80,878,649 including dedicated taxes, tax increment financing and interdepartmental charges that were netted against appropriations for the presentation on the budget and actual statement in the financial statements.

The following is a reconciliation of the approved fiscal year 2020 appropriation with the amounts reported on the General fund budget and actual comparison statement on page 41:

City approved appropriation	\$ 80,878,649
Dedicated funding appropriation	2,801,190
Less dedicated taxes:	
Capital streets program	(2,312,532)
Open space	(202,393)
Housing Trust	(202,393)
Pennies for parks	(374,803)
Downtown improvement district	(307,259)
Less: Tax increment	(3,333,307)
Less: Interdepartmental charges	(2,926,336)
Less other	(283,068)
Appropriation reported	<u>\$ 73,737,748</u>

The City’s adopted general fund budget for fiscal year 2020 after amendments resulted in a deficit of \$68,308. The adjusted actual performance (budgetary basis) resulted in revenues and other sources exceeding expenditures and other uses by \$4,248,912. This variance is primarily attributable to:

- Revenue deficit of \$1,118,094, primarily resulted from a reduction in charges for services due to the COVID-19 pandemic and the use of fund balance of \$4,519,466.
- Various departments had significant unspent appropriations due to reduction in expenditures as result of the COVID-19 pandemic. Payroll and benefits decreased \$1,258,187, general operating expenditures decreased \$1,076,828 and professional and consulting fees decreased \$304,508.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental activities at year-end amounted to \$169,553,665 (net of accumulated depreciation), a change of \$10,220,356 from the prior year. Total investment in capital assets for business-type activities at year-end amounted to \$320,414,933 (net of accumulated depreciation), a change of \$7,288,912 from the prior year. This investment in capital assets includes land, construction in progress, buildings, improvements, infrastructure, and vehicles, machinery, equipment, and furniture.

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

- City Hall - Great Streets Project \$2,974,847
- Street paving \$1,643,178

- Sidewalk and curb replacement \$1,634,677
- Bike path construction \$1,634,425
- St. Paul St – Great Street Project \$1,581,142

The increase in Business-type Activities is primarily due to AIP projects at the Airport. Other major capital asset events during the current fiscal year for Business-type Activities can be found in the various stand-alone enterprise fund financial statements.

Additional information on the City’s capital assets can be found in Note 11 on pages 76 to 80 of this report.

Credit rating. Moody’s Investor Service (Moody’s) assigned an Aa3 rating to the City’s general obligation debt. Moody states that the Aa3 reflects a growing and strong reserve position and a very strong cash position.

Long-term debt. The table below outlines our long-term debt (bonds payable and state revolving loans) at the current and prior year end. Bonds are backed by pledged revenues of the respective enterprise funds and other debt is backed by full faith and credit of the government.

	Bonds Payable and State Revolving Loans		
	<u>6/30/20</u>	<u>6/30/19</u>	<u>Change</u>
Governmental Activities:			
City	\$ 91,370,787	\$ 77,932,346	\$ 13,438,441
Business-Type Activities:			
Electric	74,434,185	75,688,445	(1,254,260)
Airport	29,318,142	31,716,829	(2,398,687)
Wastewater	11,620,004	12,517,537	(897,533)
Water	7,861,008	8,153,973	(292,965)
Stormwater	298,167	318,079	(19,912)
Subtotal business-type	<u>123,531,506</u>	<u>128,394,863</u>	<u>(4,863,357)</u>
Component Unit:			
School District	<u>43,820,974</u>	<u>39,259,282</u>	<u>4,561,692</u>
Total	<u>\$ 258,723,267</u>	<u>\$ 245,586,491</u>	<u>\$ 13,136,776</u>

Additional information on the City’s long-term debt can be found in Note 16 on pages 82 to 91 of this report.

Net pension liability. The following is an analysis of the City’s and our component unit’s net pension liability at the end of the current and prior fiscal years. The majority of this increase will

increase pension expense over the next four years and therefore reduce unrestricted net position.

	Net Pension Liability		
	<u>6/30/20</u>	<u>6/30/19</u>	<u>Change</u>
Governmental Activities:			
City	\$ 56,323,943	\$ 51,148,996	\$ 5,174,947
Business-Type Activities:			
Electric	15,004,757	13,727,447	1,277,310
Airport	1,834,449	1,623,323	211,126
Wastewater	918,549	838,441	80,108
Water	<u>1,072,298</u>	<u>1,001,301</u>	<u>70,997</u>
Subtotal business-type	18,830,053	17,190,512	1,639,541
Component Unit:			
School District	<u>8,283,736</u>	<u>7,346,475</u>	<u>937,261</u>
Total	<u>\$ 83,437,732</u>	<u>\$ 75,685,983</u>	<u>\$ 7,751,749</u>

G. ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

Mayor’s Overview

Management Discussion and FY 21 Budget Summary

The Fiscal Year 2021 budget was created amidst a state of emergency, as Burlington, like other communities across the country, simultaneously faced a pandemic, economic crisis, and racial justice reckoning, all against the backdrop of a climate crisis. However, these circumstances have also created opportunity, and the City’s financial stewardship over the past eight years has put Burlington in a position to realize this opportunity, navigate through this time of crisis, and continue to make progress on our major community goals.

Background

After years of stable and growing revenues, the City is facing dramatic reductions in revenue as a result of the economic disruption caused by the coronavirus. When we started the budget process for Fiscal Year 2021, the City was grappling with a projected shortfall of more than \$10 million, which is a 16 percent revenue loss. At the time that the FY21 budget was adopted, that shortfall had shrunk to \$8.2 million, based on updated tax receipts, grants, and other adjustments. Those other adjustments include the final reconciliation of the sale of Burlington Telecom, which shows that the sale brought over \$7 million back to the City: a remarkable outcome for a crisis that once looked like it could cost us tens of millions of dollars or more to resolve.

Against this extraordinarily challenging financial backdrop, the City sought to, and achieved, a budget that follows the core principles of sharing sacrifice across City departments, treating City employees fairly, protecting vulnerable Burlingtonians, maintaining a 5-10 percent

balance in the Unassigned Fund Balance (essentially, the City's rainy day fund), minimizing further damage to the economy, and continuously reassessing fluid economic circumstances.

Examples of these principles include:

- To treat City employees fairly and minimize further economic damage, the City has avoided layoffs or furloughs of City employees (unlike many municipalities across the country), and continued to pay all employees earning less than \$100,000 their bargained and planned cost of living increases.
- Recognizing that many taxpayers have been hard-hit by the pandemic, the FY21 budget avoids implemented the new taxes that voters approved in March 2020, or increasing water or electric rates.
- This budget maintains core City services, including those that serve the most vulnerable, and uses funds set aside for the pandemic recovery to protect the most vulnerable.
- This budget uses surplus from the Unassigned Fund Balance to fill part of the City's revenue shortfall, but does not use the full fund balance in order to help ensure that we still have some reserves to weather future storms.

City is resourced for progress on core priorities.

Despite the economic storm of the pandemic, the budget and other recent City decisions have resourced the City for progress on five core priorities over the next year: 1) Investing in racial justice and continuing to transform public safety, 2) Advancing our commitment to respond to the climate crisis by becoming a Net Zero Energy City, 3) Continuing to rebuild our critical infrastructure, 4) Ensuring the delivery of an essential City service by adding another ambulance, and 5) Protecting the vulnerable from the coronavirus and ensuring a just recovery for BIPOC communities.

Examples of investments in these five areas include:

- Creating a new, \$1 million fund to invest in racial justice and a new, \$250,000 fund for public safety transformation. We will use these funds to conduct a full review of the City's economic opportunity and racial justice programs, strengthen our newly created Office of Racial Equity, Inclusion, & Belonging, make new investments in economic opportunity and cultural empowerment, make new investments in "on street" social services, conduct an operational assessment of the Burlington Police Department, and more.
- Advancing our vision of meaningfully responding to the climate crisis at the local level by making a number of investments, including: reallocating \$808,000 in energy efficiency funds for a Green Stimulus Plan that helps Burlingtonians recovery from the pandemic and make investments in efficiency and electrification, invests in infrastructure that makes walking and biking safer and easier, and continues work on key policy changes.
- Making the fifth year of reinvestments through the Sustainable Infrastructure Plan that voters approved in 2016. This year, we will make another \$20.2 million in General Fund capital investments, including \$7.9 million to rebuild our roads and sidewalks and \$4.5 million in our parks and Bike Path. This year we also are implementing key elements of

the Clean Water Resiliency Plan that voters approved in 2018, which combined with other work, brings our total FY21 investment in our water resources to \$10.48 million.

- Finding a way to add the voter-approved third ambulance while also realizing savings given the financial challenges brought on by the pandemic.
- Continuing to quickly and forcefully respond to the pandemic, and do so in a way that protects those who are medically vulnerable as well as those who have experienced systemic inequalities based on socioeconomic status, historical injustice, and race and ethnicity.

Thank you to the City team who made an extraordinary effort to create a FY21 budget that addresses the financial challenges of the pandemic, while also delivering a great deal to advance Burlington values in the year ahead.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Burlington's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information can be found on the City's web page at www.burlingtonvt.gov or should be addressed to:

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



CITY OF BURLINGTON, VERMONT

STATEMENT OF NET POSITION

JUNE 30, 2020

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS:				
Current:				
Cash and cash equivalents	\$ 44,862,328	\$ 34,776,375	\$ 79,638,703	\$ 24,485,715
Escrows	-	18,367	18,367	-
Investments	23,065,258	905,342	23,970,600	25,173
Receivables, net of allowance for uncollectibles:				
Property taxes	2,265,925	-	2,265,925	-
User fees	-	11,139,893	11,139,893	-
Departmental and other	2,578,425	-	2,578,425	-
Intergovernmental	1,898,386	7,222,028	9,120,414	6,113,049
Passenger facility charges	-	59,210	59,210	-
Loan	44,312	78,921	123,233	-
Capital lease	25,309	-	25,309	-
Inventory	584,762	6,394,741	6,979,503	-
Prepaid expenses	208,185	157,990	366,175	87,326
Other assets	104,541	1,427,150	1,531,691	-
Total current assets	75,637,431	62,180,017	137,817,448	30,711,263
Noncurrent:				
Restricted cash	-	22,701,385	22,701,385	10,745,012
Restricted investments	-	6,472,739	6,472,739	-
Receivables, net of current portion:				
Loan	3,983,616	432,105	4,415,721	-
Capital lease	641,713	-	641,713	-
Accrued interest	1,635,144	-	1,635,144	-
Investment in associated companies	-	33,592,466	33,592,466	-
Regulatory assets and other prepaid charges	-	1,707,905	1,707,905	-
Capital assets:				
Land and construction in progress	50,348,191	95,161,907	145,510,098	2,804,150
Other capital assets, net of accumulated depreciation	119,205,474	225,253,026	344,458,500	46,582,901
Total noncurrent assets	175,814,138	385,321,533	561,135,671	60,132,063
TOTAL ASSETS	251,451,569	447,501,550	698,953,119	90,843,326
DEFERRED OUTFLOWS OF RESOURCES:				
Related to pensions	12,503,240	3,529,764	16,033,004	1,991,363
Related to OPEB	1,429,535	501,764	1,931,299	280,326
Deferred amount on refunding	187,336	418,495	605,831	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	14,120,111	4,450,023	18,570,134	2,271,689
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 265,571,680	\$ 451,951,573	\$ 717,523,253	\$ 93,115,015

(continued)

STATEMENT OF NET POSITION

JUNE 30, 2020

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
LIABILITIES:				
Current:				
Accounts payable	\$ 4,278,733	\$ 8,222,780	\$ 12,501,513	\$ 4,127,672
Accrued payroll and benefits payable	1,565,116	183,428	1,748,544	1,571,749
Accrued liabilities	193,214	-	193,214	1,361,022
Accrued interest payable	582,053	685,218	1,267,271	-
Due to other governments	-	2,447,766	2,447,766	106,074
Unearned revenue	2,591,881	4,052,113	6,643,994	-
Note payable	-	2,323,597	2,323,597	-
Line of credit	-	11,598,672	11,598,672	-
Other liabilities	141,731	1,292,281	1,434,012	-
Payable from restricted assets	-	438,438	438,438	-
Current portion of long-term liabilities:				
Bonds payable	8,155,740	8,581,546	16,737,286	1,410,000
State revolving loan	-	175,655	175,655	-
Capital lease	478,782	731,307	1,210,089	-
Compensated absences	265,000	63,127	328,127	429,571
Insurance reserves	1,146,164	-	1,146,164	-
Total current liabilities	19,398,414	40,795,928	60,194,342	9,006,088
Noncurrent, net of current portion:				
Bonds payable	83,215,047	113,427,440	196,642,487	42,410,974
State revolving loan	-	1,346,865	1,346,865	-
Net pension liability	56,323,943	18,830,053	75,153,996	8,283,736
Total OPEB liability	5,086,132	1,498,104	6,584,236	5,714,402
Capital lease	1,311,800	3,777,316	5,089,116	-
Compensated absences	2,385,005	1,590,929	3,975,934	2,434,234
Insurance reserves	317,263	-	317,263	-
Other noncurrent liabilities	-	390,532	390,532	-
Total noncurrent liabilities	148,639,190	140,861,239	289,500,429	58,843,346
TOTAL LIABILITIES	168,037,604	181,657,167	349,694,771	67,849,434
DEFERRED INFLOWS OF RESOURCES:				
Deferred revenue	-	-	-	16,208
Regulatory deferral	-	4,755,044	4,755,044	-
Related to pensions	4,119,996	1,965,674	6,085,670	1,269,923
Related to OPEB	521,515	525,241	1,046,756	848,219
TOTAL DEFERRED INFLOWS OF RESOURCES	4,641,511	7,245,959	11,887,470	2,134,350
NET POSITION:				
Net investment in capital assets	96,007,615	211,158,128	307,165,743	7,184,727
Restricted externally or constitutionally for:				
Education	-	-	-	22,299,303
Community development	9,920,600	-	9,920,600	-
Debt service/renewal and replacements/capital projects	-	19,128,616	19,128,616	-
Contingency reserve	-	1,508,583	1,508,583	-
Deposits with bond trustees	-	5,410,980	5,410,980	-
Permanent funds:				
Nonexpendable	1,263,008	-	1,263,008	-
Expendable	122,847	-	122,847	-
Restricted by enabling legislation	5,635,827	-	5,635,827	-
Unrestricted	(20,057,332)	25,842,140	5,784,808	(6,352,799)
TOTAL NET POSITION	92,892,565	263,048,447	355,941,012	23,131,231
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 265,571,680	\$ 451,951,573	\$ 717,523,253	\$ 93,115,015

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

CITY OF BURLINGTON, VERMONT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2020

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
Primary Government:					
Governmental Activities:					
General government	\$ 13,761,909	\$ 5,413,493	\$ 256,160	\$ 1,304	\$ (8,090,952)
Public safety	34,539,638	7,875,882	349,166	41,872	(26,272,718)
Public works	15,614,059	5,062,264	358,266	2,156,632	(8,036,897)
Culture and recreation	13,222,555	3,745,290	144,616	650,464	(8,682,185)
Community development	5,790,513	491,935	2,732,039	-	(2,566,539)
Interest and related costs	<u>3,186,711</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,186,711)</u>
Total Governmental Activities	86,115,385	22,588,864	3,840,247	2,850,272	(56,836,002)
Business-Type Activities:					
Electric	61,751,695	55,586,746	-	968,295	(5,196,654)
Airport	23,077,643	18,031,121	2,422,651	7,779,623	5,155,752
Nonmajor	<u>16,145,046</u>	<u>16,829,429</u>	<u>-</u>	<u>-</u>	<u>684,383</u>
Total Business-Type Activities	<u>100,974,384</u>	<u>90,447,296</u>	<u>2,422,651</u>	<u>8,747,918</u>	<u>643,481</u>
Total Primary Government	<u>\$ 187,089,769</u>	<u>\$ 113,036,160</u>	<u>\$ 6,262,898</u>	<u>\$ 11,598,190</u>	<u>\$ (56,192,521)</u>
Discretely Presented Component Unit:					
Burlington School District	<u>\$ 103,739,574</u>	<u>\$ 1,854,773</u>	<u>\$ 37,774,629</u>	<u>\$ -</u>	<u>\$ (64,110,172)</u>

(continued)

CITY OF BURLINGTON, VERMONT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2020

(continued)

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business- Type Activities	Total	
Change in Net Position				
Net (expenses) revenues from previous page	\$ (56,836,002)	\$ 643,481	\$ (56,192,521)	\$ (64,110,172)
General Revenues:				
Property taxes	37,873,006	-	37,873,006	-
Gross receipts taxes	3,127,599	-	3,127,599	-
Local option sales tax	2,500,822	-	2,500,822	-
Payments in lieu of taxes	5,749,014	-	5,749,014	-
Franchise fees	2,075,759	-	2,075,759	-
Impact fees	604,445	-	604,445	-
Interest and penalties on delinquent taxes	431,415	-	431,415	-
Nonoperating grants	-	989,780	989,780	-
General state support	-	-	-	66,146,587
Unrestricted investment earnings	911,468	444,119	1,355,587	678,525
Dividends from associated companies	-	4,268,944	4,268,944	-
Other revenues	924,174	168,958	1,093,132	1,514,209
Additions to permanent funds	2,072	-	2,072	-
Special items	-	(795,851)	(795,851)	-
Transfers in/(out)	22,175	(22,175)	-	-
Total general revenues, additions to permanent funds, special items and transfers	<u>54,221,949</u>	<u>5,053,775</u>	<u>59,275,724</u>	<u>68,339,321</u>
Change in Net Position	(2,614,053)	5,697,256	3,083,203	4,229,149
Net Position:				
Beginning of year, as restated*	<u>95,506,618</u>	<u>257,351,191</u>	<u>352,857,809</u>	<u>18,902,082</u>
End of year	<u>\$ 92,892,565</u>	<u>\$ 263,048,447</u>	<u>\$ 355,941,012</u>	<u>\$ 23,131,231</u>

*Restatement applicable to Discretely Presented Component Unit

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

CITY OF BURLINGTON, VERMONT

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2020

	<u>General</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
ASSETS			
Cash and cash equivalents	\$ 5,721,490	\$ 39,140,838	\$ 44,862,328
Investments	21,766,108	1,299,150	23,065,258
Receivables, net of allowance for uncollectibles:			
Property and other taxes	2,265,925	-	2,265,925
Departmental and other	2,515,164	63,261	2,578,425
Intergovernmental	-	1,898,386	1,898,386
Loans	-	4,027,928	4,027,928
Capital lease	-	667,021	667,021
Accrued interest	-	1,635,145	1,635,145
Due from other funds	2,295,806	-	2,295,806
Advances to other funds	704,038	13,209	717,247
Inventory	207,442	377,320	584,762
Prepaid expenditures	207,640	545	208,185
Other current assets	104,541	-	104,541
TOTAL ASSETS	\$ 35,788,154	\$ 49,122,803	\$ 84,910,957
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,185,379	\$ 3,093,354	\$ 4,278,733
Accrued payroll and benefits payable	1,436,409	128,707	1,565,116
Accrued liabilities	163,373	29,841	193,214
Unearned revenue	2,544,639	47,242	2,591,881
Due to other funds	-	2,295,806	2,295,806
Advances from other funds	-	717,247	717,247
Insurance reserve	1,146,164	-	1,146,164
Other liabilities	7,796	133,935	141,731
TOTAL LIABILITIES	6,483,760	6,446,132	12,929,892
Deferred Inflows of Resources:			
Unavailable revenues	3,060,786	8,027,379	11,088,165
Fund Balances:			
Nonspendable	1,119,120	1,640,873	2,759,993
Restricted	4,929,072	32,012,370	36,941,442
Committed	576,734	4,494,211	5,070,945
Assigned	11,000,463	-	11,000,463
Unassigned	8,618,219	(3,498,162)	5,120,057
TOTAL FUND BALANCES	26,243,608	34,649,292	60,892,900
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 35,788,154	\$ 49,122,803	\$ 84,910,957

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

CITY OF BURLINGTON, VERMONT

RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO NET POSITION OF GOVERNMENTAL
ACTIVITIES IN THE STATEMENT OF NET POSITION

JUNE 30, 2020

Total governmental fund balances	\$ 60,892,900
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	169,553,665
• Revenues are reported on the accrual basis of accounting and are not deferred until collection.	11,088,165
• Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources related to pensions	12,503,240
Deferred inflows of resources related to pensions	(4,119,996)
Deferred outflows of resources related to OPEB	1,429,535
Deferred inflows of resources related to OPEB	(521,515)
• Deferred debt expense for refunding is net of amortization on the statement of net position, whereas all debt expense is reported when paid in the governmental funds.	187,336
• Long-term liabilities, including bonds payable and net pension and other liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds payable, net of related unamortized premiums	(91,370,787)
Capital lease payable	(1,790,582)
Compensated absences payable	(2,650,005)
Insurance reserves, long-term	(317,263)
Total other post-employment benefits payable	(5,086,132)
Net pension liability	(56,323,943)
Accrued interest on long-term obligations	(582,053)
Net position of governmental activities	<u>\$ 92,892,565</u>

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

CITY OF BURLINGTON, VERMONT

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2020

	<u>General</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:			
Taxes	\$ 36,203,414	\$ 7,184,046	\$ 43,387,460
Payments in lieu of taxes	5,749,014	-	5,749,014
Licenses and permits	3,881,737	129,841	4,011,578
Intergovernmental	1,104,376	3,339,629	4,444,005
Charges for services	15,592,695	5,271,178	20,863,873
Contributions	647,791	36,447	684,238
Investment income	766,108	145,360	911,468
Loan repayments	-	89,536	89,536
Other	442,129	484,120	926,249
	<u>64,387,264</u>	<u>16,680,157</u>	<u>81,067,421</u>
Total Revenues			
Expenditures:			
Current:			
General government	13,309,860	50,046	13,359,906
Public safety	30,917,348	-	30,917,348
Public works	4,474,394	6,880,276	11,354,670
Culture and recreation	11,176,478	819,765	11,996,243
Community development	1,012,475	3,448,921	4,461,396
Capital outlay	-	16,750,497	16,750,497
Debt service:			
Principal	3,293,198	3,000,531	6,293,729
Interest and bond issue costs	2,427,453	1,776,989	4,204,442
	<u>66,611,206</u>	<u>32,727,025</u>	<u>99,338,231</u>
Total Expenditures			
Excess (deficiency) of revenues over (under) expenditures	(2,223,942)	(16,046,868)	(18,270,810)
Other Financing Sources (Uses):			
Issuance of refunding debt	-	9,225,000	9,225,000
Issuance of bonds and loans	-	20,639,850	20,639,850
Bond premium	2,248,534	-	2,248,534
Bond discount	-	(34,293)	(34,293)
Payment to refunded bond escrow agent	-	(12,138,987)	(12,138,987)
Transfers in	5,915,545	1,789,440	7,704,985
Transfers out	(1,759,536)	(5,923,274)	(7,682,810)
	<u>6,404,543</u>	<u>13,557,736</u>	<u>19,962,279</u>
Total Other Financing Sources (Uses)			
Net change in fund balances	4,180,601	(2,489,132)	1,691,469
Fund Balances, at Beginning of Year	<u>22,063,007</u>	<u>37,138,424</u>	<u>59,201,431</u>
Fund Balances, at End of Year	<u>\$ 26,243,608</u>	<u>\$ 34,649,292</u>	<u>\$ 60,892,900</u>

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

CITY OF BURLINGTON, VERMONT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	1,691,469																																																
<ul style="list-style-type: none"> • Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 70%;">Capital outlay purchases, net of disposals</td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">17,927,488</td> </tr> <tr> <td>Depreciation</td> <td></td> <td style="text-align: right;">(7,593,901)</td> </tr> <tr> <td>Loss on disposal of capital assets</td> <td></td> <td style="text-align: right;">(113,231)</td> </tr> </table> • Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, etc.) differ between the two statements. 2,411,739 • The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 70%;">Issuance of debt</td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">(29,864,850)</td> </tr> <tr> <td>Repayments of debt and capital leases</td> <td></td> <td style="text-align: right;">6,293,729</td> </tr> <tr> <td>Bond premium activity, net of amortization</td> <td></td> <td style="text-align: right;">(1,331,571)</td> </tr> <tr> <td>Deferred amount on refunding activity</td> <td></td> <td style="text-align: right;">(75,911)</td> </tr> <tr> <td>Deposit to escrow refunding agent</td> <td></td> <td style="text-align: right;">12,138,987</td> </tr> </table> • In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. 213,832 • Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 70%;">Change in net pension liability</td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">(5,174,947)</td> </tr> <tr> <td>Change in pension related deferred outflows</td> <td></td> <td style="text-align: right;">(2,892,500)</td> </tr> <tr> <td>Change in pension related deferred inflows</td> <td></td> <td style="text-align: right;">4,217,569</td> </tr> <tr> <td>Change in compensated absences</td> <td></td> <td style="text-align: right;">(312,661)</td> </tr> <tr> <td>Change in total OPEB liability</td> <td></td> <td style="text-align: right;">(1,227,021)</td> </tr> <tr> <td>Change in OPEB related deferred outflows</td> <td></td> <td style="text-align: right;">1,217,294</td> </tr> <tr> <td>Change in OPEB related deferred inflows</td> <td></td> <td style="text-align: right;">(297,141)</td> </tr> <tr> <td>Change in insurance reserves</td> <td></td> <td style="text-align: right;">157,574</td> </tr> </table> 			Capital outlay purchases, net of disposals		17,927,488	Depreciation		(7,593,901)	Loss on disposal of capital assets		(113,231)	Issuance of debt		(29,864,850)	Repayments of debt and capital leases		6,293,729	Bond premium activity, net of amortization		(1,331,571)	Deferred amount on refunding activity		(75,911)	Deposit to escrow refunding agent		12,138,987	Change in net pension liability		(5,174,947)	Change in pension related deferred outflows		(2,892,500)	Change in pension related deferred inflows		4,217,569	Change in compensated absences		(312,661)	Change in total OPEB liability		(1,227,021)	Change in OPEB related deferred outflows		1,217,294	Change in OPEB related deferred inflows		(297,141)	Change in insurance reserves		157,574
Capital outlay purchases, net of disposals		17,927,488																																																
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>(2,614,053)</u>																																																

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

CITY OF BURLINGTON, VERMONT

GENERAL FUND

STATEMENT OF REVENUES AND OTHER SOURCES,
AND EXPENDITURES AND OTHER USES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Adjusted Actual Amounts	Variance With Final Budget
	Original Budget	Final Budget		
Revenues and other sources:				
Taxes and special assessments	\$ 35,502,860	\$ 35,502,860	\$ 33,702,592	\$ (1,800,268)
Local option sales tax	2,470,000	2,470,000	2,500,822	30,822
Payments in lieu of taxes	5,699,503	5,699,503	5,749,014	49,511
Licenses and permits	4,166,400	4,166,400	3,881,737	(284,663)
Intergovernmental	825,228	879,842	1,104,379	224,537
Charges for services	16,758,358	16,953,748	15,592,695	(1,361,053)
Investment income	418,793	418,793	766,108	347,315
Contributions and donations	882,850	886,550	647,791	(238,759)
Transfers in	548,423	1,784,423	5,915,545	4,131,122
Other	387,855	387,855	442,129	54,274
Bond premium	-	-	2,248,534	2,248,534
Use of fund balance	1,718,376	4,519,466	-	(4,519,466)
Total Revenues and Other Sources	69,378,646	73,669,440	72,551,346	(1,118,094)
Expenditures and other uses:				
Nondepartmental	2,722,024	3,627,774	3,272,883	354,891
City council	174,590	174,590	119,644	54,946
Regional services and programs	2,575,880	3,575,880	2,851,606	724,274
Mayor	433,535	433,535	415,323	18,212
Clerk treasurer	2,606,445	2,606,445	2,463,287	143,158
City attorney	1,254,512	1,254,512	1,196,641	57,871
Planning and zoning	394,804	325,092	283,698	41,394
City assessor	318,685	639,688	614,183	25,505
Human resources	753,367	753,367	677,346	76,021
Information technology	1,542,445	1,612,157	1,415,249	196,908
Fire	11,706,728	11,890,306	11,718,735	171,571
Police	17,917,194	18,071,490	17,296,215	775,275
Code enforcement	2,145,690	2,147,690	1,902,398	245,292
Public works	4,073,315	4,889,965	4,474,394	415,571
Library	2,215,940	2,248,552	2,221,261	27,291
Parks and recreation	7,567,174	7,588,874	6,725,920	862,954
Burlington city arts	2,394,926	2,413,526	2,229,297	184,229
Community and economic development	1,060,372	1,028,386	1,012,475	15,911
Debt service	5,570,862	5,570,862	5,720,651	(149,789)
Transfers	1,834,294	2,885,057	1,759,536	1,125,521
Total Expenditures and Other Uses	69,262,782	73,737,748	68,370,742	5,367,006
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 115,864	\$ (68,308)	\$ 4,180,604	\$ 4,248,912

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

CITY OF BURLINGTON, VERMONT

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2020

	Business-Type Activities Enterprise Funds			Total
	Electric	Airport	Nonmajor Enterprise Funds	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS:				
Current:				
Cash and cash equivalents	\$ 11,616,467	\$ 14,389,499	\$ 8,770,409	\$ 34,776,375
Escrows	-	18,367	-	18,367
Investments	438,438	-	466,904	905,342
Receivables, net of allowance for uncollectibles:				
User fees	6,012,186	1,704,535	3,423,172	11,139,893
Intergovernmental	-	6,199,932	1,022,096	7,222,028
Passenger facility charges	-	59,210	-	59,210
Loan	-	78,921	-	78,921
Inventory	5,725,406	260,300	409,035	6,394,741
Prepaid expenses	-	154,656	3,334	157,990
Other current assets	1,427,150	-	-	1,427,150
Total current assets	25,219,647	22,865,420	14,094,950	62,180,017
Noncurrent:				
Restricted cash	3,125,945	17,202,970	2,372,470	22,701,385
Restricted investments	5,410,980	1,061,759	-	6,472,739
Loan receivable, net of current portion	-	432,105	-	432,105
Investment in associated companies	33,592,466	-	-	33,592,466
Regulatory assets and other prepaid charges	1,707,905	-	-	1,707,905
Capital assets:				
Land and construction in progress	4,956,513	89,031,891	1,173,503	95,161,907
Capital assets, net of accumulated depreciation	89,634,495	95,747,289	39,871,242	225,253,026
Total noncurrent assets	138,428,304	203,476,014	43,417,215	385,321,533
TOTAL ASSETS	163,647,951	226,341,434	57,512,165	447,501,550
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	2,301,334	508,248	720,182	3,529,764
Related to OPEB	232,493	142,434	126,837	501,764
Deferred amount on refunding	418,495	-	-	418,495
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,952,322	650,682	847,019	4,450,023
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 166,600,273	\$ 226,992,116	\$ 58,359,184	\$ 451,951,573

(continued)

CITY OF BURLINGTON, VERMONT

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2020

(continued)

	Business-Type Activities Enterprise Funds			Total
	Electric	Airport	Nonmajor Enterprise Funds	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
LIABILITIES:				
Current:				
Accounts payable	\$ 2,864,825	\$ 4,662,169	\$ 695,786	\$ 8,222,780
Accrued payroll and benefits payable	-	90,153	93,275	183,428
Accrued interest	-	685,218	-	685,218
Due to other governments	-	2,447,766	-	2,447,766
Unearned revenue	2,939,017	1,113,096	-	4,052,113
Note payable	-	-	2,323,597	2,323,597
Line of credit	-	11,598,672	-	11,598,672
Other current liabilities	1,248,144	13,930	30,207	1,292,281
Payable from restricted assets:				
Deposits with bond trustees	438,438	-	-	438,438
Current portion of long-term liabilities:				
Bonds payable	5,035,000	2,497,880	1,048,666	8,581,546
State revolving loan	-	-	175,655	175,655
Capital leases payable	-	600,281	131,026	731,307
Compensated absences payable	-	32,717	30,410	63,127
Total current liabilities	<u>12,525,424</u>	<u>23,741,882</u>	<u>4,528,622</u>	<u>40,795,928</u>
Noncurrent, net of current portion:				
Bonds payable	69,399,185	26,820,262	17,207,993	113,427,440
State revolving loan	-	-	1,346,865	1,346,865
Net pension liability	15,004,757	1,834,449	1,990,847	18,830,053
Total OPEB liability	1,000,516	257,184	240,404	1,498,104
Capital leases payable	-	3,172,162	605,154	3,777,316
Compensated absences payable	1,022,786	294,452	273,691	1,590,929
Other noncurrent liabilities	390,532	-	-	390,532
Total noncurrent liabilities	<u>86,817,776</u>	<u>32,378,509</u>	<u>21,664,954</u>	<u>140,861,239</u>
TOTAL LIABILITIES	<u>99,343,200</u>	<u>56,120,391</u>	<u>26,193,576</u>	<u>181,657,167</u>
DEFERRED INFLOWS OF RESOURCES				
Regulatory deferral	4,755,044	-	-	4,755,044
Related to pensions	1,232,353	298,065	435,256	1,965,674
Related to OPEB	476,463	25,212	23,566	525,241
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>6,463,860</u>	<u>323,277</u>	<u>458,822</u>	<u>7,245,959</u>
NET POSITION:				
Net investment in capital assets	39,652,482	148,760,524	22,745,122	211,158,128
Restricted:				
For debt service/renewal and replacements/capital projects	-	18,264,729	863,887	19,128,616
For contingency reserve	-	-	1,508,583	1,508,583
Deposits with bond trustees	5,410,980	-	-	5,410,980
Unrestricted	15,729,751	3,523,195	6,589,194	25,842,140
TOTAL NET POSITION	<u>60,793,213</u>	<u>170,548,448</u>	<u>31,706,786</u>	<u>263,048,447</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 166,600,273</u>	<u>\$ 226,992,116</u>	<u>\$ 58,359,184</u>	<u>\$ 451,951,573</u>

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

CITY OF BURLINGTON, VERMONT

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities Enterprise Funds			Total
	Electric	Airport	Nonmajor Enterprise Funds	
Operating Revenues:				
Charges for services	\$ 44,554,308	\$ 16,067,281	\$ 16,114,653	\$ 76,736,242
Intergovernmental	-	143,950	-	143,950
Miscellaneous	11,032,438	-	714,776	11,747,214
Total Operating Revenues	55,586,746	16,211,231	16,829,429	88,627,406
Operating Expenses:				
Personnel	-	4,611,128	4,745,913	9,357,041
Nonpersonnel	-	10,816,615	5,850,935	16,667,550
Electric department	56,568,149	-	-	56,568,149
Depreciation and amortization	-	6,182,674	2,140,506	8,323,180
Payments in lieu of taxes	-	-	1,616,507	1,616,507
Total Operating Expenses	56,568,149	21,610,417	14,353,861	92,532,427
Operating Income (Loss)	(981,403)	(5,399,186)	2,475,568	(3,905,021)
Nonoperating Revenues (Expenses):				
Dividends from associated companies	4,268,944	-	-	4,268,944
Passenger facility charges	-	1,963,840	-	1,963,840
Nonoperating grants	-	989,780	-	989,780
CARES grant	-	2,278,701	-	2,278,701
Intergovernmental	-	-	143,729	143,729
Investment income	221,362	147,113	75,644	444,119
Stormwater design	-	-	(985,384)	(985,384)
Other income/(expense) - net	24,164	40,351	8,722	73,237
Interest expense	(2,581,344)	(1,467,226)	(805,801)	(4,854,371)
Amortization of bond premium	-	153,687	46,074	199,761
Gain/(loss) on disposal of capital assets	(289,526)	37,468	4,289	(247,769)
Total Nonoperating Revenues (Expenses)	1,643,600	4,143,714	(1,512,727)	4,274,587
Income (loss) Before Contributions and Other Items	662,197	(1,255,472)	962,841	369,566
Capital contributions	968,295	7,779,623	-	8,747,918
Payment in lieu of taxes	(2,602,202)	-	-	(2,602,202)
Transfer out	-	-	(22,175)	(22,175)
Special items	-	(795,851)	-	(795,851)
Change in Net Position	(971,710)	5,728,300	940,666	5,697,256
Net Position at Beginning of Year	61,764,923	164,820,148	30,766,120	257,351,191
Net Position at End of Year	\$ 60,793,213	\$ 170,548,448	\$ 31,706,786	\$ 263,048,447

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

CITY OF BURLINGTON, VERMONT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2020

	Electric	Airport	Nonmajor Enterprise Funds	Total
Cash Flows From Operating Activities:				
Receipts from customers and users	\$ 44,741,249	\$ 16,023,629	\$ 16,376,084	\$ 77,140,962
Receipts of operating grants	-	143,950	-	143,950
Payments for power and other costs	(52,295,840)	-	-	(52,295,840)
Payments to suppliers	-	(11,604,519)	(5,844,446)	(17,448,965)
Payments for wages and benefits	-	(4,585,839)	(4,644,653)	(9,230,492)
Payment in lieu of taxes	-	-	(1,616,507)	(1,616,507)
Payments for other expenses	-	(426,824)	-	(426,824)
Other receipts	11,438,390	363,396	8,723	11,810,509
Net Cash Provided by (Used for) Operating Activities	3,883,799	(86,207)	4,279,201	8,076,793
Cash Flows From Noncapital Financing Activities:				
Payment in lieu of taxes	(2,602,202)	-	-	(2,602,202)
Receipt from loan receivable	-	76,591	-	76,591
Nonoperating grant from Vermont National Guard	-	989,780	-	989,780
Energy efficiency utility	2,939,017	-	-	2,939,017
Intergovernmental revenues	-	-	143,729	143,729
Design costs financed by revolving loan	-	-	(985,384)	(985,384)
Transfers out	-	-	(22,175)	(22,175)
Net Cash Provided by (Used for) Noncapital Financing Activities	336,815	1,066,371	(863,830)	539,356
Cash Flows From Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(4,350,467)	(14,164,093)	(2,336,893)	(20,851,453)
Proceeds from bonds and notes payable	11,130,000	-	-	11,130,000
Proceeds from short-term state revolving loans	-	-	221,493	221,493
Proceeds from issuance of capital lease	-	-	648,866	648,866
Funding of the escrow from lease financing	-	-	(551,348)	(551,348)
Proceeds from sale of capital assets	2,300	37,468	-	39,768
Refinanced from new debt issuance	(7,205,714)	-	-	(7,205,714)
Capital grants/contributions	968,295	9,198,978	-	10,167,273
Passenger facility charges	-	2,404,878	-	2,404,878
Drawdowns on line of credit	-	11,598,672	-	11,598,672
Repayment of line of credit	-	(351,528)	-	(351,528)
Release from escrow	-	2,784,980	-	2,784,980
Principal paid on:				
General obligation bonds	(4,655,000)	-	-	(4,655,000)
Revenue bonds	-	(2,245,000)	(992,193)	(3,237,193)
State revolving loans	-	-	(172,143)	(172,143)
Capital lease obligations	-	(753,780)	(36,589)	(790,369)
Interest paid on outstanding debt, including issue costs	(3,118,169)	(1,492,484)	(805,801)	(5,416,454)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(7,228,755)	7,018,091	(4,024,608)	(4,235,272)
Cash Flows From Investing Activities:				
Purchase of restricted investments	(2,674,890)	-	-	(2,674,890)
Proceeds from sale of restricted investments	3,686,210	-	-	3,686,210
Purchase of investment in associated companies	(569,290)	-	-	(569,290)
Sale of investments	1,696,380	2,099,918	-	3,796,298
Receipt of interest & dividends	4,793,861	147,114	75,644	5,016,619
Net Cash Provided by Investing Activities	6,932,271	2,247,032	75,644	9,254,947
Net Increase/(Decrease) in Cash	3,924,130	10,245,287	(533,593)	13,635,824
Cash and cash equivalents at beginning of year	10,818,282	21,347,182	11,676,472	43,841,936
Cash and cash equivalents at end of year	\$ 14,742,412	\$ 31,592,469	\$ 11,142,879	\$ 57,477,760

(continued)

CITY OF BURLINGTON, VERMONT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2020

(continued)

	<u>Electric</u>	<u>Airport</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>
Adjustments to Reconcile Operating Income/(Loss) to Net Cash				
Provided by (Used for) Operating Activities:				
Operating income/(loss)	\$ (981,403)	\$ (5,399,186)	\$ 2,475,568	\$ (3,905,021)
Depreciation and amortization*	5,345,880	6,182,674	2,140,506	13,669,060
Other revenues	24,164	467,175	8,723	500,062
Other building expenses	-	(426,824)	-	(426,824)
Changes in assets, liabilities, and deferred outflows/inflows:				
(Increase)/decrease in receivables	532,251	(53,120)	(443,721)	35,410
(Increase)/decrease in inventory	(381,265)	3,853	51,651	(325,761)
(Increase)/decrease in prepaids	-	(116,878)	6,090	(110,788)
(Increase)/decrease in deferred outflows	-	58,127	192,627	250,754
Increase/(decrease) in accounts payable	(1,326,082)	(680,527)	(51,255)	(2,057,864)
Increase/(decrease) in accrued liabilities	-	5,795	(9,273)	(3,478)
Increase/(decrease) in net pension liability	1,051,674	211,126	151,105	1,413,905
Increase/(decrease) in total OPEB liability	(11,260)	145,177	128,356	262,273
Increase/(decrease) in compensated absences	-	46,400	42,728	89,128
Increase/(decrease) in unearned revenue	(41,279)	(94,311)	-	(135,590)
Increase/(decrease) in other operating assets/liabilities	(589,213)	5,648	-	(583,565)
Increase/(decrease) in other non-current liabilities	260,332	-	-	260,332
Increase/(decrease) in deferred inflows	-	(441,336)	(413,904)	(855,240)
Net Cash Provided by (Used for) Operating Activities	\$ 3,883,799	\$ (86,207)	\$ 4,279,201	\$ 8,076,793

* Electric depreciation and amortization excludes amortization of regulatory assets and liabilities.

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

CITY OF BURLINGTON, VERMONT
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2020

	Pension Trust <u>Fund</u>	Private Purpose Trust <u>Funds</u>
ASSETS		
Current:		
Cash and cash equivalents	\$ 1,092,294	\$ 38,216
Investments:		
Equity	136,755,477	-
Real assets	17,502,837	-
Fixed income	39,282,951	-
Other assets	4,765	-
Noncurrent:		
Capital assets, net of accumulated depreciation	<u>380,522</u>	<u>-</u>
Total Assets	<u>\$ 195,018,846</u>	<u>\$ 38,216</u>
 LIABILITIES AND NET POSITION		
LIABILITIES		
Current:		
Accounts payable	\$ 59,400	\$ -
Accrued liabilities	80,862	-
Capital lease payable	<u>290,423</u>	<u>-</u>
Total Liabilities	430,685	-
 NET POSITION		
Restricted for pensions	194,588,161	-
Restricted for individuals and organizations	<u>-</u>	<u>38,216</u>
Total Net Position	<u>194,588,161</u>	<u>38,216</u>
 TOTAL LIABILITIES AND NET POSITION	 <u>\$ 195,018,846</u>	 <u>\$ 38,216</u>

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

CITY OF BURLINGTON, VERMONT

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2020

	Pension Trust <u>Fund</u>	Private Purpose <u>Trust Funds</u>
Additions:		
Contributions:		
Employer - pension	\$ 9,715,892	\$ -
Plan members	<u>3,458,775</u>	<u>-</u>
Total Contributions	13,174,667	-
Investment earnings:		
Investment income	7,254,890	-
Net increase/(decrease) in the fair value of investments	<u>(2,451,539)</u>	<u>142</u>
Total Investment Earnings	4,803,351	142
Less Investment Expenses	<u>(303,242)</u>	<u>-</u>
Net Investment Earnings	<u>4,500,109</u>	<u>142</u>
Total Additions	17,674,776	142
Deductions:		
Benefits - pension	17,334,219	-
Refunds	3,775	-
Administrative expenses	411,980	-
Depreciation	<u>50,100</u>	<u>-</u>
Total deductions	<u>17,800,074</u>	<u>-</u>
Change in net position	(125,298)	142
Net position restricted for pensions and other purposes:		
Beginning of year	<u>194,713,459</u>	<u>38,074</u>
End of year	<u>\$ 194,588,161</u>	<u>\$ 38,216</u>

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

CITY OF BURLINGTON, VERMONT

Notes to Financial Statements

Incorporated in 1865, the City of Burlington operates under a tripartite system of government with the Mayor serving as Chief Executive, the City Council as the legislative body and the Commissioners as the primary policy makers within their respective departments. The City Charter authorizes the provision for the following services for the residents of the City: general administration, public safety, public works, community development, culture and recreation, utilities and education.

1. Summary of Significant Accounting Policies

The accounting policies adopted by the City of Burlington (the “City”) conform to generally accepted accounting principles (GAAP) 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 employed in the preparation of these financial statements.

A. *The Financial Reporting Entity*

This report includes all of the funds of the City of Burlington, Vermont. The reporting entity consists of the primary government; organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization’s governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The following entity is reported as a discretely presented component unit, in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City because it is fiscally dependent on the City but does not provide services almost entirely to the City and the City guarantees the debt of the School District.

Burlington School District – the organization’s primary purpose is to carry out the vision of education in the community. The Burlington School District is governed by a separately elected School Board, the legal entity for conducting a system of public education within the geographic area of a school district. The system was created by, and is governed by, state statutes. Members of a board are, therefore, state officers chosen by citizens of a district to represent them and the state in the legislative management of public schools. The Board of School Commissioners has the dual responsibility for implementing statutory requirements pertaining to public

education and local citizens' desires for educating the community's youth. For detailed information on the Burlington School District accounts, refer to separately issued financial statements which can be obtained by contacting the School District's Financial Management at 150 Colchester Avenue, Burlington, Vermont 05401.

B. Basis of Presentation

The accounts of the City are organized and operated on the basis of fund accounting. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled.

The basic financial statements of the City include both government-wide statements and fund financial statements. The focus of the government-wide statements is on reporting the operating results and financial position of the City as a whole and present a longer-term view of the City's finances. The focus of the fund financial statements is on reporting on the operating results and financial position of the most significant funds of the City and present a shorter-term view of how operations were financed and what remains available for future spending.

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government, the City, and its component unit, the Burlington School District. These statements include the financial activities of the overall City, except for fiduciary activities. The statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Eliminations have been made to minimize the double counting of activities between funds. However, interfund services provided and used are not eliminated in the Consolidation. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds. Separate statements for each fund category –

governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Operating revenues consists of sales of electricity, rents of electric property, fees to transmit electricity of others, sales of renewable energy credits, operation of other utilities to run generation facilities, rent of airport terminal space and buildings, concessions, commissions, parking receipts, sales of water, wastewater user charges, and other miscellaneous fees for service. Nonoperating revenues result from certain nonexchange transactions or ancillary activities. Non-operating revenues consist of investment earnings, electric services rendered to customers upon their request, passenger facility charges, grant income and building rents from buildings purchased for future expansion.

Operating expenses are defined as the ordinary costs and expenses for the operation, maintenance and repairs of the electric plant, airport, water facility, and wastewater facility. Operating expenses include the cost of production, purchased power, maintenance of transmission and distribution systems, administrative, and general expenses and depreciation and amortization. Operating expenses do not include the interest on bonds, notes or other evidences or indebtedness and related costs.

The City reports on the following major governmental fund:

General Fund - This is the City's main operating fund. It accounts for all financial resources of the City except those required to be accounted for in another fund.

The City reports on the following major enterprise funds:

Electric Fund - This fund accounts for the operations of the Burlington Electric Department. For more details on this fund, refer to separately issued financial statements.

Airport Fund - This fund accounts for the operations of the Burlington International Airport. For more details on this fund, refer to separately issued financial statements.

The fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

The City reports the following fund types:

Pension Trust Fund – This fund accounts for monies contributed by the City and its employees and the income on investments less amounts expended for the pensions of retired City employees. This fund is partially funded by a dedicated tax rate which is determined by the City’s Retirement Board, and subject to annual appropriation by the City Council.

Private-Purpose Trust Funds – These funds are used to report trust arrangements under which resources are to be used for the benefit of firemen injured in the line of duty, Christmas gifts for servicemen overseas, and Christmas dinners for the destitute. All investment earnings, and in some cases, the principal of these funds may be used to support these activities.

C. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Government-wide and 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). Equity (i.e., net total assets) 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 net total position.

Governmental fund financial statements are reported using the current financial resources measurement focus. This means that only current assets and current liabilities are generally reported on their balance sheets. Their reported fund balances (net current assets) are considered a measure of available spendable resources, and are segregated into nonspendable; restricted; committed; assigned and unassigned amounts. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

D. Basis of Accounting

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

The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is

recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. “Measurable” means the amount of the transaction can be determined, and “available” means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers all revenues reported in governmental funds to be available if the revenues are collected within thirty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, certain compensated absences, self-insured health and dental benefits, reserves for property and casualty and workers’ compensation claims, net pension obligation, post-employment benefits and other long-term liabilities which are recognized when the obligations are expected to be liquidated or are funded with expendable available financial resources.

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

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net positions available to finance the program. It is the City’s policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and other grant requirements have been met.

Recognition of revenues on funds received in connection with loan programs are recognized when loans are awarded and expenses incurred in excess of current grants and program income. An offsetting deferred revenue is recognized for all loans receivable. Loan repayment revenue is recognized as the loans are repaid.

The Burlington Electric Department (the Department) is an enterprise fund of the City of Burlington, Vermont (the City). The City has overall financial accountability for the Department; its Council appoints the Commissioners of the Department which oversee its operations, and the City collateralizes the Department’s general obligation debt. The Department is also subject as to rates, accounting, and other matters, to the regulatory authority of the State of Vermont Public Service Board (VPSB) and the Federal Energy Regulatory Commission (FERC). In accordance with FASB ASC Topic 980, *Regulated Operations* (and Codified in GASB Statement 62), the Department records certain assets and liabilities in accordance with the economic effects of the rate making process.

E. Cash and Cash equivalents

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent

available, and interest earnings are recognized in the general fund. Certain special revenue, proprietary, and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts. A cash and sweep account is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and equivalents".

For purpose of the statement of cash flows, the proprietary funds consider investments with original maturities of three months or less to be cash equivalents.

F. Investments

Investments, generally, are presented at fair value. Where applicable, fair values are based on quotations from national securities exchanges, except for certain investments that are required to be presented using the net asset value (NAV). The NAV per share is the amount of net assets attributable to each share of capital stock outstanding at the close of the period investments measured at the NAV for fair value are not subject to level classification.

Investments for the Trust Funds consist of marketable securities, bonds, and short-term money market investments. Investments are carried at fair value, except for certificates of deposits, which are nonparticipating interest-earning investment contracts, and therefore, the City uses the cost-based measurement for these investments.

G. Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due from/to other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

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

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

H. Jointly Owned Facilities

The Burlington Electric Department has recorded its ownership interest in jointly owned facilities as capital assets. The Department's ownership interest in each of the jointly owned facilities is as follows:

McNeil Station	50.0%
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The Department is responsible for its proportionate share of the operating expenses of the jointly owned facilities which are billed to the Department on a monthly basis. The associated operating costs allocated to the Department are classified in their respective expense categories in the statement of operations. Separate financial statements are available from the Department for these jointly owned facilities.

I. Equity Interests in Associated Companies

The Electric Department follows the cost method of accounting for its 6.38% Class B common stock, 1.97% Class C common stock and 7.69% Class C preferred stock ownership interest in Vermont Electric Power Company, Inc. (VELCO), and its 5.46% ownership interest in Vermont Transco LLC (Transco). Transco is an affiliated entity of VELCO. VELCO owns and operates a transmission system in the State of Vermont over which bulk power is delivered to all electric utilities in the State of Vermont. Under a Power Transmission Contract with the State of Vermont, VELCO bills all costs, including amortization of its debt and a fixed return on equity, to the State of Vermont and others using the system.

During the year ended June 30, 2020, the Department purchased 25,049 Class A units and 31,880 Class B units in Transco for a cost of \$569,290. During the year ended June 30, 2020, the Department sold 74,641 Class A units and 94,997 Class B units in Transco for a total of \$1,696,380.

Schedule of Ownership in Associated Companies:

Velco, Class B Common Stock	\$ 1,403,800
Velco, Class C Common Stock	39,200
Velco, Class C Preferred Stock	11,196
VT Transco, LLC, A Units	14,140,843
VT Transco, LLC, B Units	<u>17,997,427</u>
	<u>\$ 33,592,466</u>

J. Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. No significant inventory balances were on hand in governmental funds.

K. Capital Assets

City

Capital assets, which include property, plant, equipment, land improvements, buildings and improvements, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial

statements. Depreciable capital assets are defined by the government as assets with an estimated useful life of five years or greater, while non-depreciable do not consider estimated useful life. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

	<u>Capitalization Threshold</u>	<u>Estimated Service Life</u>
Land	\$ -	N/A
Construction in Progress	-	N/A
Land Improvements	25,000	30 years
Buildings	-	25-150 years
Building Improvements	20,000	25-150 years
Vehicles, Machinery, Equipment and Furniture	10,000	5-15 years
Computer Equipment - Hardware and Software	10,000	5-15 years
Book Collections	10,000	5 years
Infrastructure	50,000	10-40 years

Capital assets reported in the government-wide and proprietary fund financial statements are depreciated in order that the cost of these assets will be charged to expenses over their estimated service lives, generally using the straight-line method of calculating depreciation.

Electric Department

The Electric Department capital assets are stated at historical cost. Provisions for depreciation of general capital assets are reported using the straight-line method at rates based upon the estimated service lives and salvage values of the several classes of property. Depreciation of capital assets of the McNeil Station, the Highgate Converter Facility, and the Winooski One hydroelectric plant, are calculated using the straight-line method. However, a portion of the current depreciation expense is only recoverable through future rates. The difference is included in deferred charges (calculated as the straight-line depreciation expense less the depreciation expense on a sinking fund basis) and will be recovered in future years. See Note 12, Regulatory Assets and Other Prepaid Charges.

Maintenance and repairs of capital assets are charged to maintenance expense. Replacements and betterments are capitalized to capital assets. When assets are retired or otherwise disposed of, the costs are removed from capital assets, and such costs, plus removal costs, net of salvage, are charged to accumulated depreciation.

The Department’s capitalization policy considers four factors. Property will be capitalized when:

- 1) The combined cost to put a unit in service is more than \$500.
- 2) The unit’s estimated life is at least three years.
- 3) The unit is vital to the Department and must be controlled, and tracked, even if it falls under the dollar limit stated in (1) above. Watt-hour meters to record electric usage are the only unit in this category.
- 4) The Public Utilities Commission (PUC) rules in a rate making decision that the Department will capitalize a cost that normally would not be capitalized based on the first three factors above. The Department does not have any assets in this category.

The depreciable lives of utility plant are as follows:

	<u>Estimated Service Life</u>
Production plant	10-50 years
Transmission plant	33-50 years
Distribution plant	10-50 years
General plant	5-50 years
Other plan	5 years

Discretely Presented Component Unit – School District

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated capital assets are valued at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Estimated useful lives are as follows:

	<u>Capitalization Threshold</u>	<u>Estimated Service Life</u>
Buildings	\$ 5,000	20-50 years
Machinery and Equipment	5,000	3-50 years
Vehicles	5,000	3-25 years

L. Renewable Energy Credit Sales

The Electric Department received Renewable Energy Certificates (RECs) based on the amount of energy produced by its resources in a year. These RECs have value in terms of allowing the holder to demonstrate compliance with the Renewable Portfolio Standard (RPS) requirements of the various New Engagement states. These RECs may be bought and sold, separate from the underlying energy production, and vary in value based on the amount of supply versus the demands created by the RPS, for that particular type of REC. The ability to claim energy renewability is transferred with the REC (either lost in the case of a REC sale or acquired in the case of a REC purchase).

The Electric Department’s resource planning staff monitors output levels from the REC producing units, REC commitments made, the markets for these RECs, and the State statutes and rules that govern the creation and sale of these RECs. The Electric Department has and will continue to involve itself in discussions/proceedings as needed, either in Vermont or elsewhere in New England, where such rules and statues are the subject at hand.

In 2008, the McNeil Generating Station (McNeil) installed a Regenerative Selective Catalytic Reduction (RSCR) unit. The RSCR unit significantly reduces McNeil’s Nitrous Oxide (NOx) emission levels which allows the station to qualify to sell Connecticut Class 1 Renewable Energy Certificates (RECs). The McNeil RECs are determined to be qualified for sale based on a review of emissions outputs submitted by McNeil. At the end of every quarter, an affidavit is signed stating whether or not McNeil’s emissions output met the requirements needed to sell the RECs. McNeil receives a certification from the State of Connecticut indicating that they met the standards for the quarter based on the statistics provided by McNeil. Sales are recorded as revenue upon delivery of the RECs to the customer.

Effective September 1, 2014, the Electric Department became the 100% owner of the Winooski One hydro facility. Currently operations at the facility are being managed through a contract with Northbrook Energy. Winooski One is a Low Impact Hydro Institute (LIHI) certified generator and is qualified to produce Massachusetts Class 2 RECs (non-waste-to-energy).

The Electric Department receives RECs from the Vermont Wind Project in Sheffield (the Electric Department is entitled to 40% of the output of the 40MW project), the Georgia Mountain Community Wind Farm (the Electric Department has entitlement to the full

100 MW of output from this project), along with RECs from its entitlement to 13.5 MW of the 52 MW Hancock Wind Project. The RECs from all of these wind facilities are qualified for participation in most of the high value New England REC markets.

In February 2015, the Electric Department commissioned a 500 KW AC solar array at the Burlington International Airport (and leases space on the parking garage roof under a long-term agreement between the Department and the Burlington International Airport). Following that, in October 2018, the Department commissioned a 107 KW AC solar array at the Electric Department's offices at 585 Pine Street. The Department owns 100% of these resources. Additionally, Burlington receives RECs from South Forty Solar, a 2.5 MW solar array, as well as several smaller solar arrays totaling 409 kW. These solar arrays are designed to help reduce the Electric Department's peak demand and energy needs during high priced periods.

The Electric Department no longer receives RECs from Vermont Standard Offer projects purchased by the Vermont Purchasing Agent. At the end of 2016, the Department's status as a distribution utility that sources 100% of the load it serves from renewable sources exempted it from purchasing energy from these projects in 2017. This exemption will continue through at least 2020.

The Department purchases Class II RECs to replace the Class I RECs that are sold in the market to maintain its ability to claim 100% renewability. BED will continue to purchase RECs to replace the Class I RECs that are sold into the market on a voluntary basis. However, beginning in 2017 these RECs are eligible as a VT Class I resource to satisfy BED's Tier I obligation under Vermont's Renewable Energy Standard.

For the fiscal year ended June 30, 2020, REC revenue for McNeil, wind resources, the Winooski One hydro facility, and the solar arrays were \$3,521,592, \$3,025,853, \$818,359, and \$158,650, respectively.

M. Pollution Remediation Obligations

The Electric Department faces possible liability as a potentially responsible party (PRP) with respect to the cleanup of certain hazardous waste sites. The City is currently a PRP as a landowner of a hazardous waste superfund site in Burlington, Vermont that is the subject of a remediation investigation by the Environmental Protection Agency (the EPA). The Department has agreed to share on an equal basis all past and future costs incurred in connection with any and all settlements or actions resulting from the designation of the City as a PRP at this site. In light of a recent agreement between the City and the EPA concerning the remediation plan at the site, the Department believes that the likelihood of any liability material to the financial position of the Department is remote and as such, no liability has been accrued as of June 30, 2020.

The City implemented GASB Statement No. 83, *Certain Asset Retirement Obligations*, for the fiscal year ended June 30, 2020. There have been no legally enforceable liabilities associated with the retirement of a tangible asset and as such no asset retirement obligation has been recorded.

N. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vested sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

O. Liabilities to be Paid from Restricted Assets

The balance in these liabilities represents accrued interest payable on the revenue bonds and construction invoices which will be paid from restricted assets. The restricted assets will also be used for additional construction of certain assets, including certain costs in accounts and contracts payable.

P. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Q. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance". Fund equity for all other reporting is classified as "net position".

Fund Balance - Fund balance represents the difference between the current assets/deferred outflows and current liabilities/deferred inflows. The City reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources and therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

The City's fund balance classification policies and procedures are as follows:

- 1) *Nonspendable funds* represents amounts that cannot be spent because they are either (a) not in spendable form (i.e., inventory or prepaid items) or (b) legally or contractually required to be maintained intact (i.e., perpetual care). This fund balance classification includes general fund reserves for prepaid expenditures, inventory, and nonmajor governmental fund reserves for the principal portion of permanent trust funds.
- 2) *Restricted funds* represent amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. In the case of capital project funds, these funds are restricted for projects financed by bonds.

- 3) Committed funds represent amounts that can only be used for specific purposes pursuant to constraints imposed by formal action, resolutions, of the City's highest level of decision-making authority, the City Council. Subsequent City Council meeting is necessary to modify or rescind a fund balance commitment.
- 4) Assigned funds represent amounts that are constrained by the City's intent to use these resources for a specific purpose. The City's fund balance policy gives authority to the Mayor to delegate assignments to staff. Approved resolutions after year-end are also classified as assigned funds.
- 5) Unassigned funds represent the residual classification for the general fund and include all amounts not contained in other classifications. Unassigned amounts are available for any purpose. Temporary fund balance deficits are reported as negative amounts in the unassigned classification in other governmental funds. Positive unassigned amounts are reported only in the general fund.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the City uses the following order to liquidate liabilities: restricted, committed, assigned, and unassigned.

Net Position - Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net investment in capital assets, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining net position is reported as unrestricted.

R. Use of Estimates

The preparation of basic 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 disclosures for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

2. Stewardship, Compliance, and Accountability

A. Budgetary Information

The City follows these procedures in establishing the budgetary data reflected in the financial statements for the General Fund:

- 1) Departments, and departments with commission approval, prepare detailed recommendations to the Mayor on the budget. Prior to June 15, the Mayor, with

the assistance of the other members of the Board of Finance, prepares and submits to the City Council a proposed budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and estimated revenues.

- 2) Prior to July 1, the budget is legally enacted through passage of a resolution of the City Council.
- 3) The Mayor may propose, with the advice of the Board of Finance, amendments to the budget. Such proposed amendments require a majority approval of the City Council. The amount of such proposed amendments may be decreased by a simple majority vote of the City Council. Such proposed amendments may be increased above the level proposed by the Mayor only with a two-thirds vote of the City Council.
- 4) The Board of Finance is authorized to transfer budgeted amounts between line items within an appropriation account or within accounts of a department. Any revisions which increase the total expenditures of any department function or fund above the original appropriation must be approved by resolution of the City Council.
- 5) That portion of the designated fund balance that consists of operating and capital improvement carry-overs, represents unexpended appropriations, which are allowed to be carried over to later years as provided for by City Charter or by resolution of the City Council. All other unexpended appropriations lapse at the close of the fiscal year. The City Charter specifically prohibits expenditures in excess of appropriations, except on an emergency basis for health, police, fire and public welfare.
- 6) The City of Burlington tax rate can change each year by the cost of CCTA, Retirement, County and Debt Service without voter approval. However, any rate change on the tax rate for other purposes, above the maximum approved tax rate previously approved by voters, must be approved by City voters.
- 7) Title III, Section 70(a) of the Burlington City Charter defines the legal level of budgeting control at the department level. Excerpts of Section 70(a) are as follows:

No superintendent, board or commission member or corresponding executive officer of any city department, with the exception of the health, police and fire departments, and then only in case of an emergency, shall expend any money or incur any obligation, unless there is an available appropriation from which the same may be paid and to which it may be charged, and shall not at any time expend any money or incur any obligation in excess of such appropriation. In case any such superintendent, board or commission member or corresponding executive officer of any city department violates this provision, the city chief administrative officer shall report such occurrence to the mayor and to the city council. The mayor shall advise the city council as to whether there was appropriate justification for such violation and if the mayor and city council agree that such violation was

unjustified, the mayor may recommend and the city council may determine that the office shall thereupon become vacant and shall be forthwith filled for the unexpired term of the officials authorized to make the original appointment in such case. Nothing in this section shall be construed to authorize the city council to remove a duly-elected school commissioner or the superintendent of schools.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in any fund in the City.

B. Budgetary Basis

The general fund final appropriation appearing on the “Budget and Actual” page of the fund financial statements represents the final amended budget after all reserve fund transfers and supplemental appropriations.

C. Budget/GAAP Reconciliation

The budgetary data for the general fund is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison to budgetary data.

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

<u>General Fund</u>	Revenues and Other <u>Financing Sources</u>	Expenditures and Other <u>Financing Uses</u>
Revenues/expenditures (GAAP Basis)	\$ 64,387,264	\$ 66,611,206
Other financing sources/uses (GAAP Basis)	<u>8,164,082</u>	<u>1,759,536</u>
Budgetary Basis	<u>\$ 72,551,346</u>	<u>\$ 68,370,742</u>

D. Budget Over Expenditures

The Debt service line is \$149,789 over budget due to fees associated with debt borrowings.

E. Deficit Fund Equity

Certain individual funds reflected unassigned fund balance deficits as of June 30, 2020. It is anticipated that the deficits will be eliminated through future departmental revenues, bond proceeds, and transfers from other funds. See the combining statements for deficits which are reflected as negative unassigned fund balance.

3. Deposits and Investments

Primary Government, excluding Electric Department and Burlington Employees Retirement System

A. Custodial Credit Risk

The custodial credit risk for deposits or investments is the risk that, in the event of the failure of the bank or counterparty to a transaction, the City will not be able to recover the value of its deposits, investments, or collateral securities that are in the possession of another party.

Primary Government – As of June 30, 2020, deposits and cash equivalents were insured or collateralized by the FDIC, repurchase agreements and FHLC Pittsburg letters of credit of up to \$16,200,000.

Component Unit Fiduciary in Nature – BERS – At June 30, 2020, the System’s deposits exceeded collateralization levels when combined with the City.

B. Investment Summary

The following is a summary of the City’s investments as of June 30, 2020:

<u>Investment Type</u>	<u>Amount</u>
U.S. Treasury notes	\$ 7,551,683
U.S. Governmental agencies	2,522,826
Municipal bonds	1,419,933
Commercial paper	8,996,274
Long-term Certificate of Deposits	<u>3,636,526</u>
Total investments	<u>\$ 24,127,242</u>

C. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City’s investment in debt related securities include U.S. Treasury and other U.S. Government obligation securities with

implicit rating of AAA. The City's investment in municipal bonds and commercial paper have a Moody's rating of A1.

D. Concentration of Credit Risk

The City places no limit on the amount the City may invest in any one issuer. At June 30, 2020, the City did not have any investments in any one issuer (other than U.S. Treasury and Government agencies securities) that represented 5% or more of City investments.

E. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of June 30, 2020, the only investments maturing greater than one year are the municipal bonds which mature within five years.

F. Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The City does not have any such investments, or policies for foreign currency risk.

G. Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by *Governmental Accounting Standards Board Statement No. 72 Fair Value Measurement and Application* (GASB 72). The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

Level 1 - Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

The City categorizes its fair value investments as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using:</u>		
		<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>
Investments by fair value level:				
Debt securities:				
U.S. Treasury notes	\$ 7,551,683	\$ 7,551,683	\$ -	\$ -
U.S. Governmental agencies	2,522,826	-	2,522,826	-
Municipal bonds	1,419,933	-	1,419,933	-
Commercial paper	8,996,274	-	8,996,274	-
Total	\$ <u>20,490,716</u>	\$ <u>7,551,683</u>	\$ <u>12,939,033</u>	\$ <u>-</u>

Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quote prices. Level 2 debt securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

Burlington Electric Department

A. Investments

The Department has a formal investment policy and is authorized per Article 1, Section 1.1 of the General Bond Resolution to invest in obligations as follows:

- 1) Direct obligations of the United States of America or obligations guaranteed by the United States of America.
- 2) Bonds, notes or other evidence of indebtedness issued or guaranteed by the CoBank, Federal Intermediate Credit Banks, FHLB, FNMA, GNMA, Export-Import Bank of the United States, Federal Land Banks, U.S. Postal Service, Federal Financing Bank, or any agency or instrumentality of or corporation wholly owned by the United States of America.
- 3) New Housing Authority Bonds issued by public agencies or municipalities and fully secured by a pledge of annual contributions under annual contribution contracts with the United States or America, or Project Notes issued by public agencies or municipalities and fully secured by a requisition or payment agreement with the United States of America.
- 4) Obligations of any state, commonwealth or territory of the United States of America, or the District of Columbia, or any political subdivision of the foregoing, with an investment grade rating not lower than the three highest categories by at least one nationally recognized debt rating service.

- 5) Certificates of deposit and bankers acceptances issued by banks which are members of the FDIC and each of which has a combined capital and surplus of not less than ten million dollars, provided that the time deposits in and acceptances of any bank under the Resolution (a) do not exceed at any time twenty-five percent of the combined capital and surplus of the bank or (b) are fully secured by obligations described in items 1, 2, 3, and 4 of this paragraph.
- 6) Repurchase contracts with banks which are described in item 5 of this paragraph, or with recognized primary dealers in government bonds, fully secured by obligations described in items 1, 2, 3, and 4 or this paragraph.

B. Concentration of Credit Risk

Concentration of credit risk of investments is the risk of loss attributable to the magnitude of a government’s investment in a single issuer. The Electric Department invests its current operating cash in money market accounts with TD Bank, KeyBank, and Northfield Savings and its restricted noncurrent funds in several money market accounts with its bond trustees (US Bank), which are approximately 15% of the total investment balance at June 30, 2020. The invested balance of current money market funds at June 30, 2020 was \$1,456,568. The invested balance on noncurrent money market funds at June 30, 2020 was \$3,097,145. The invested balance of U.S. Treasuries reported within restricted investments at June 30, 2020 was \$2,752,273.

C. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments that will adversely affect the fair value of an investment. The Electric Department has minimized its risk exposure as its investments are limited to government securities and other conservative investments as outlined in the investment policy.

The Electric Department’s investments as of June 30, 2020 (all of which are restricted by Bond resolution) only included money market funds and U.S. Treasury Bills.

The Department is required by its bond indenture to make monthly deposits into the renewal and replacement fund equal to 10% of the monthly revenue bond debt service funding requirements. Funds on deposit may be withdrawn from the renewal and replacement fund for expenses allowed by the bond covenant. Amounts in excess of \$867,000 at June 30 may be returned to the revenue fund. A summary of deposits with bond trustees is as follows:

	<u>6/30/20</u>
Bond funds:	
Renewal and replacement fund	\$ 867,000
Debt service fund	2,183,883
Debt service reserve fund	<u>2,798,535</u>
Total	<u>\$ 5,849,418</u>

D. Fair Value

All of the Electric Department's investments, as of June 30, 2020, are considered to be Level 1 under the fair value hierarchy.

Discretely Presented Component Unit – School District

A. Credit Risk

Statutes for the State of Vermont authorize the School District to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Vermont, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The School District does not have an investment policy on credit risk. Generally, the School District invests excess funds in savings accounts and various insured certificates of deposit.

B. Custodial Credit Risk

The custodial credit risk for investments is that, in the event of failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the School District does not have a policy for custodial credit risk for investments.

At June 30, 2020, the School Districts deposits and cash equivalents of \$33,769,084 were insured or collateralized through the FDIC or an irrevocable standby letter of credit in the District's name.

C. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

Burlington Employees Retirement System

A. Credit Risk

The System invests in private equities, which are exempt from the credit risk disclosure.

B. Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the 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 System does not have a policy for custodial credit risk.

The System's investment in private equities has a custodial credit risk exposure because the related securities are either uninsured or uncollateralized.

C. Concentration of Credit Risk

The System does not have a policy for concentration of credit risk. The system did not have any investments in one issuer greater than 5% of total investments:

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The System does not have a policy for interest rate risk.

E. Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The System does not have a policy to manage foreign currency risk.

F. Fair Value

GASB 72 established the fair value hierarchy levels based on the valuation inputs used to measure the fair value of the asset. The System does not place their investments by these levels, as they are all measured at NAV (net asset value per share or its equivalent), such as share of index funds or partnership member units.

Investments that are measured at fair value using the NAV as a practical expedient are not classified in the fair value hierarchy per GASB 72. Hamilton Lane, Sustainable Woodlands, and USB Realty Investors investment value is based on the System's share of fair value of partner's capital at year end. The System's share of EB DV and DL Index Funds of the Bank of New York Mellon and Johnson Mutual Funds were valued based on net asset values of the Funds derived from audited financial statements of the respective funds. The investment strategy of the System matches the investment strategy of the funds. The primary holdings of the BNY Mellon funds and Johnson Mutual Funds are as follows:

- EB DV Non-SL Stock Index Fund – Level 1
- EB DL Smid Cap Stock Index Fund – Level 2
- EB DV Non-SL International Stock Index Fund – Level 1
- EB DV Non-SL Emerging Markets Stock Index Fund – Level 1
- Johnson Institutional Core Bond – Level 2

The following summarizes the investment strategies of the underlying BNY Mellon funds and Johnson Mutual funds:

Equities – Stocks traded on U.S. security exchanges are valued by the Service approved by the Trustee at closing market prices on the valuation date. Stocks

traded on a non-U.S. security exchange are valued at closing market prices on the applicable non-U.S. security exchange on the valuation date. These types of investments are generally categorized within Level 1 of the fair value hierarchy. If market quotations are not readily available for any stocks traded on U.S. or non-U.S. security exchanges, the assets may be valued by a method the Trustee of the Fund has determined accurately reflects fair value. In these instances, stocks are generally categorized within Level 2 of the fair value hierarchy.

Bond funds – Fixed income securities are valued on the basis of valuations provided by the Service which determines valuations using methods based upon market transactions for comparable securities and various relationships between securities which are generally recognized by institutional traders. These valuations are based on methods which include the consideration of: yields or prices of securities of comparable quality, coupon, maturity and type; indications as to values from dealers; and general market conditions. If market quotations are not readily available for valuations, assets may be valued by a method the Trustee of the Fund has determined accurately reflects fair value. These types of investments are generally categorized within Level 2 of the fair value hierarchy.

The System categorizes its investments as follows:

Investments measured at the net asset value (NAV):	Value	Unfunded Commitments	Redemption		
			Frequency (If currently eligible)	Redemption Notice Period	
Hamilton Lane Secondary Fund II LP	\$ 163,133	\$ 417,305	N/A	(a)	N/A
Hamilton Lane Private Equity Offshore Fund VII Series A LP	603,175	195,175	N/A	(a)	N/A
Hamilton Lane Private Equity Offshore Fund VII Series B LP	431,270	174,774	N/A	(a)	N/A
Sustainable Woodlands Fund II LP	2,638,910	-	N/A	(a)	N/A
EB DV Non-SL Stock Index Fund	60,962,544	-	daily		1 day
Johnson Institutional Core Bond	39,282,951	-	daily		1 day
EB DL Smid Cap Stock Index Fund	36,052,430	-	daily		1 day
EB DV Non-SL International Stock Index Fund	19,170,486	-	daily		1 day
EB DV Non-SL Emerging Markets Stock Index Fund	19,372,439	-	weekly		2 days
USB Realty Investors LLC - Trumbull Prop	14,863,927	-	N/A	(a)	N/A
Total	\$ <u>193,541,265</u>				

(a) Units may be sold at any time on the secondaries market, with approval of the General Partner, although not ordinarily done, as this most likely will result in a loss. Partnership agreements are entered into with the intent of holding them to maturity when the partnerships sell all the remaining assets and declare distributions. Therefore, redemptions are not typically eligible until end of partnership terms.

4. Property Taxes Receivable

The City is responsible for assessing and collecting its own property taxes as well as education property taxes for the State. Property taxes are assessed based on property valuations as of April 1, annually. Taxes are due four times per year on August 12, November 12, March 12, and June 12. Taxes unpaid after each due date are considered to be late and are subject to 1% interest added on the next day; an additional 4% interest is added after the tenth day late and an additional 1% per month thereafter. Taxes which

remain unpaid ten days after the June 12 due date are delinquent and are subject to an 8% penalty and interest calculated at 12%. Unpaid taxes become an enforceable lien on the property and such properties are subject to tax sale.

Property taxes receivable at June 30, 2020 consist of the following:

Property taxes:	
2020	\$ 1,343,756
2019	119,930
2018	34,745
Prior years	878,505
Gross receipts taxes	68,725
Less: Allowance for doubtful taxes	<u>(179,736)</u>
Total	<u>\$ 2,265,925</u>

5. User Fees Receivable

User fees receivable include amounts due from customers for electric service, rent and passenger facility charges at the airport, water, wastewater, and stormwater usage. User fees receivable are reported net of an allowance for doubtful accounts estimated at up to 30% of accounts receivable depending on the aging of the receivables. Water, wastewater, and stormwater delinquent receivables are liened in a similar manner as property taxes, described in Note 4.

User fees receivable and related allowance for doubtful accounts at June 30, 2020 consist of the following:

	<u>Billed</u> <u>Service Fees</u>	<u>Estimated</u> <u>Unbilled Fees</u>	<u>Allowance for</u> <u>Doubtful Fees</u>	<u>Total</u>
Electric	\$ 4,041,378	\$ 2,106,308	\$ (135,500)	\$ 6,012,186
Airport	1,712,379	-	(7,844)	1,704,535
Nonmajor Enterprise Funds:				
Wastewater	1,053,504	635,384	(3,000)	1,685,888
Water	876,086	550,817	(3,000)	1,423,903
Stormwater	<u>180,866</u>	<u>132,515</u>	<u>-</u>	<u>313,381</u>
Total	<u>\$ 7,864,213</u>	<u>\$ 3,425,024</u>	<u>\$ (149,344)</u>	<u>\$ 11,139,893</u>

6. Departmental and Other Receivables

Departmental and other receivables, as reported in the governmental funds, represent ambulance, police tickets, local option sales tax, community and economic development office receivables, and other reimbursements.

	<u>Gross</u>	Allowance for Doubtful <u>Accounts</u>	<u>Total</u>
Police tickets	\$ 1,903,114	\$ (1,364,657)	\$ 538,457
Local option sales tax	585,388	-	585,388
Champlain College fees for service	127,151	-	127,151
Burlington Electric franchise fees	127,343	-	127,343
Ambulance and fire	871,385	(357,566)	513,819
Parking facilities	28,079	-	28,079
Church Street marketplace	33,582	-	33,582
Code enforcement	469,985	(95,180)	374,805
Equipment maintenance	95,493	-	95,493
Recycling	94,211	-	94,211
Other	60,097	-	60,097
Total	<u>\$ 4,395,828</u>	<u>\$ (1,817,403)</u>	<u>\$ 2,578,425</u>

7. Intergovernmental Receivables

This balance represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal 2020.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Community and economic development	\$ 398,364	\$ -	\$ 398,364
Capital project grants	1,500,022	-	1,500,022
Airport improvement program (AIP) grants	-	6,199,932	6,199,932
Stormwater revolving loan	-	1,022,096	1,022,096
Total	<u>\$ 1,898,386</u>	<u>\$ 7,222,028</u>	<u>\$ 9,120,414</u>

8. Loans Receivables

The City, through various state and federal grant programs, has extended loans for the development or rehabilitation of residential and commercial properties within the City and small business loans for new Burlington businesses. The repayment terms of these loans and interest rates all vary and are contingent on numerous factors outside of the control of the City, such as the financial viability of the projects. It is the City's policy to recognize the grant revenues when the loans are repaid.

The following is a summary of the Governmental Fund's major components loans receivables at June 30, 2020:

Community and Economic Development Loans:

	<u>Receivable</u>	<u>Less: Discount</u>	<u>Less: Allowance</u>	<u>Total</u>
HODAG loans	\$ 7,415,942	\$ -	\$ (5,932,754)	\$ 1,483,188
Housing and Urban Development Programs:				
HOME loans	8,689,736	(3,058,600)	(4,091,012)	1,540,124
Lead paint loans	2,853,996	(175,861)	(2,010,625)	667,510
Other loans	<u>338,204</u>	<u>(88,254)</u>	<u>(90,150)</u>	<u>159,800</u>
Total CEDO Loans	<u>\$ 19,297,878</u>	<u>\$ (3,322,715)</u>	<u>\$ (12,124,541)</u>	<u>\$ 3,850,622</u>

The following is a summary of the Primary Government's major components of loans receivable at June 30, 2020:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
CEDO loans, from above	\$ 3,850,622	\$ -	\$ 3,850,622
1993 relief loans (3) from Champlain Housing Trust Corporation, offset by loans payable. The total quarterly payments are \$21,588 including interest rates between 3.25% - 4.00%, maturing in FY2024 and FY2025.	177,306	-	177,306
Airport loan for \$1,400,000 to assist in financing construction of the Aviation Support Hanger. The terms require annual payments of \$93,172 for 20 years with an interest rate of 3%, maturing in June 2026.	<u>-</u>	<u>511,026</u>	<u>511,026</u>
Total loans receivable	4,027,928	511,026	4,538,954
Less: amount due within one year	<u>(44,312)</u>	<u>(78,921)</u>	<u>(123,233)</u>
Loans receivable, net of current portion	<u>\$ 3,983,616</u>	<u>\$ 432,105</u>	<u>\$ 4,415,721</u>

9. Capital Lease Receivable

The governmental activities have one capital lease receivable from Westlake Parking, LLC dated 7/26/2007. The annual lease payment is \$72,000, including interest at 7% annually, maturing on 7/26/2026 with a lump sum payment of \$448,000. The lease requires an annual contribution of \$6,000 to Burlington Community Development Corporation (BCDC).

On the fund basis BCDC, a nonmajor special revenue fund, reports the receivable and an offsetting unavailable revenue (deferred inflow).

Expected future receipts of the lease receivables are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 25,309	\$ 46,691	\$ 72,000
2022	27,080	44,920	72,000
2023	28,976	43,024	72,000
2024	31,004	40,996	72,000
2025	33,174	38,826	72,000
2026-2027	<u>521,478</u>	<u>70,522</u>	<u>592,000</u>
Total	<u>\$ 667,021</u>	<u>\$ 284,979</u>	<u>\$ 952,000</u>

10. Interfund Accounts

Interfund receivable and payable accounts as of June 30, 2020 are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General fund	\$ 2,295,806	\$ -
Nonmajor governmental funds:		
Parking facilities	-	1,832,722
Church street marketplace	-	83,100
Community development corporation	-	122,440
Wayfinding	-	42,229
Downtown Westlake	-	13,209
Great Streets	-	202,106
Total	<u>\$ 2,295,806</u>	<u>\$ 2,295,806</u>

The composition of advances to/from other funds (amounts considered to be long-term) as of June 30, 2020 is as follows:

<u>Fund</u>	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
General fund	\$ 704,038	\$ -
Nonmajor governmental funds:		
Community development corporation	-	13,208
Champlain Parkway	-	676,542
Burlington town center	-	16,365
Downtown Westlake	13,209	11,132
Total	<u>\$ 717,247</u>	<u>\$ 717,247</u>

The City reports interfund transfers between many of its funds. The sum of all transfers presented in the table agrees with the sum of interfund transfers presented in the governmental and proprietary fund financial statements. The following is an analysis of interfund transfers made in fiscal year 2020:

<u>Governmental Funds:</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major funds:		
General fund	\$ 5,915,545	\$ 1,759,536
Nonmajor funds:		
Special revenue funds:		
Community and economic development	515,986	7,728
TIF waterfront	-	84,765
TIF downtown	-	49,565
Church street marketplace	21,000	-
Telecom sale proceeds	-	5,754,103
Capital Project funds:		
Capital improvement program	1,065,175	-
Parks	187,279	-
Permanent funds:		
Cemetery	-	27,113
	<hr/>	<hr/>
Subtotal Nonmajor Governmental funds	1,789,440	5,923,274
<u>Business-type Funds:</u>		
Nonmajor funds:		
Water	-	22,175
	<hr/>	<hr/>
Grand Total	\$ <u>7,704,985</u>	\$ <u>7,704,985</u>

Significant transfers include a \$1,000,000 transfer from the Telecom sale proceeds fund to the General fund to address the COVID-19 pandemic. In addition, the City transferred \$4,754,103 from the Telecom sale proceeds fund to help cover part of the fiscal year 2020 revenue shortfall.

11. Capital Assets

Capital asset activity for the City's Governmental and Business-Type Activities, as well as each enterprise fund, for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 15,521,200	\$ 230,000	\$ -	\$ 15,751,200
Construction in progress	23,530,364	11,014,627	-	34,544,991
Antiques and works of art	52,000	-	-	52,000
Total capital assets, not being depreciated	39,103,564	11,244,627	-	50,348,191
Capital assets, being depreciated:				
Land improvements	12,688,620	38,638	-	12,727,258
Buildings and building improvements	58,790,167	45,060	-	58,835,227
Vehicles, machinery, equipment and furniture	28,779,300	1,498,302	(1,014,483)	29,263,119
Book collections	2,541,585	188,581	-	2,730,166
Infrastructure	139,460,972	4,912,280	-	144,373,252
Total capital assets, being depreciated	242,260,644	6,682,861	(1,014,483)	247,929,022
Less accumulated depreciation for:				
Land improvements	(2,473,468)	(415,461)	-	(2,888,929)
Buildings and building improvements	(16,030,160)	(858,683)	-	(16,888,843)
Vehicles, machinery, equipment and furniture	(19,352,232)	(1,610,268)	901,252	(20,061,248)
Book collections	(2,080,519)	(181,526)	-	(2,262,045)
Infrastructure	(82,094,520)	(4,527,963)	-	(86,622,483)
Total accumulated depreciation	(122,030,899)	(7,593,901)	901,252	(128,723,548)
Total capital assets, being depreciated, net	120,229,745	(911,040)	(113,231)	119,205,474
Governmental activities capital assets, net	\$ 159,333,309	\$ 10,333,587	\$ (113,231)	\$ 169,553,665
	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities-Combined Enterprise Funds:				
Capital assets, not being depreciated:				
Land	\$ 55,982,925	\$ 1,646,774	\$ (759,146)	\$ 56,870,553
Construction in progress	33,814,826	18,593,274	(14,116,745)	38,291,354
Total capital assets, not being depreciated	89,797,751	20,240,048	(14,875,891)	95,161,907
Capital assets, being depreciated:				
Land improvements	116,820,264	10,005,821	-	126,826,085
Buildings and building improvements	86,057,721	26,623	-	86,084,344
Vehicles, machinery, equipment and furniture	27,031,482	642,796	(477,044)	27,197,234
Distribution and collection systems	252,262,244	5,078,517	(3,063,453)	254,277,308
Total capital assets, being depreciated	482,171,711	15,753,757	(3,540,497)	494,384,971
Less accumulated depreciation for:				
Land improvements	(46,207,253)	(1,775,640)	-	(47,982,893)
Buildings and building improvements	(58,667,786)	(4,504,854)	-	(63,172,640)
Vehicles, machinery, equipment and furniture	(20,436,225)	(857,156)	464,954	(20,828,427)
Distribution and collection systems	(133,532,177)	(6,385,491)	2,769,682	(137,147,986)
Total accumulated depreciation	(258,843,441)	(13,523,141)	3,234,636	(269,131,946)
Total capital assets, being depreciated, net	223,328,270	2,230,616	(305,861)	225,253,025
Business-type activities capital assets, net	\$ 313,126,021	\$ 22,470,664	\$ (15,181,752)	\$ 320,414,932

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Electric Enterprise Fund:				
Capital assets, not being depreciated:				
Land	\$ 1,278,831	\$ -	\$ -	\$ 1,278,831
Construction in progress	<u>3,043,484</u>	<u>3,887,808</u>	<u>(3,253,610)</u>	<u>3,677,682</u>
Total capital assets, not being depreciated	4,322,315	3,887,808	(3,253,610)	4,956,513
Capital assets, being depreciated:				
Distribution and collection systems	<u>189,972,257</u>	<u>3,681,967</u>	<u>(2,930,275)</u>	<u>190,723,949</u>
Total capital assets, being depreciated	189,972,257	3,681,967	(2,930,275)	190,723,949
Less accumulated depreciation for:				
Distribution and collection systems	<u>(98,562,248)</u>	<u>(5,199,961)</u>	<u>2,672,755</u>	<u>(101,089,454)</u>
Total accumulated depreciation	<u>(98,562,248)</u>	<u>(5,199,961)</u>	<u>2,672,755</u>	<u>(101,089,454)</u>
Total capital assets, being depreciated, net	<u>91,410,009</u>	<u>(1,517,994)</u>	<u>(257,520)</u>	<u>89,634,495</u>
Electric Enterprise Fund capital assets, net	<u>\$ 95,732,324</u>	<u>\$ 2,369,814</u>	<u>\$ (3,511,130)</u>	<u>\$ 94,591,008</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Airport Enterprise Fund:				
Capital assets, not being depreciated:				
Land	\$ 53,804,892	\$ 1,646,774	\$ (759,146)	\$ 54,692,520
Construction in progress	<u>30,565,336</u>	<u>14,637,170</u>	<u>(10,863,135)</u>	<u>34,339,371</u>
Total capital assets, not being depreciated	84,370,228	16,283,944	(11,622,281)	89,031,891
Capital assets, being depreciated:				
Land improvements	86,901,229	10,005,821	-	96,907,050
Buildings and building improvements	85,810,127	-	-	85,810,127
Vehicles, machinery, equipment and furniture	<u>12,997,987</u>	<u>399,646</u>	<u>(302,950)</u>	<u>13,094,683</u>
Total capital assets, being depreciated	185,709,343	10,405,467	(302,950)	195,811,860
Less accumulated depreciation for:				
Land improvements	(27,715,450)	(1,043,339)	-	(28,758,789)
Buildings and building improvements	(58,643,889)	(4,494,418)	-	(63,138,307)
Vehicles, machinery, equipment and furniture	<u>(7,822,878)</u>	<u>(644,917)</u>	<u>300,320</u>	<u>(8,167,475)</u>
Total accumulated depreciation	<u>(94,182,217)</u>	<u>(6,182,674)</u>	<u>300,320</u>	<u>(100,064,571)</u>
Total capital assets, being depreciated, net	<u>91,527,126</u>	<u>4,222,793</u>	<u>(2,630)</u>	<u>95,747,289</u>
Airport Enterprise Fund capital assets, net	<u>\$ 175,897,354</u>	<u>\$ 20,506,737</u>	<u>\$ (11,624,911)</u>	<u>\$ 184,779,180</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Wastewater Nonmajor Enterprise Fund:				
Capital assets, not being depreciated:				
Land	\$ 847,952	\$ -	\$ -	\$ 847,952
Construction in Progress	<u>11,913</u>	<u>13,880</u>	<u>-</u>	<u>25,793</u>
Total capital assets, not being depreciated	859,865	13,880	-	873,745
Capital assets, being depreciated:				
Land improvements	29,919,035	-	-	29,919,035
Buildings and building improvements	160,027	-	-	160,027
Vehicles, machinery, equipment and furniture	12,396,798	-	-	12,396,798
Distribution and collection systems	<u>18,168,391</u>	<u>108,064</u>	<u>-</u>	<u>18,276,455</u>
Total capital assets, being depreciated	60,644,251	108,064	-	60,752,315
Less accumulated depreciation for:				
Land improvements	(18,491,803)	(732,301)	-	(19,224,104)
Buildings and building improvements	(19,534)	(6,401)	-	(25,935)
Vehicles, machinery, equipment and furniture	(11,423,797)	(115,224)	-	(11,539,021)
Distribution and collection systems	<u>(8,979,208)</u>	<u>(359,899)</u>	<u>-</u>	<u>(9,339,107)</u>
Total accumulated depreciation	<u>(38,914,342)</u>	<u>(1,213,825)</u>	<u>-</u>	<u>(40,128,167)</u>
Total capital assets, being depreciated, net	<u>21,729,909</u>	<u>(1,105,761)</u>	<u>-</u>	<u>20,624,148</u>
Wastewater Nonmajor Enterprise Fund capital assets, net	<u>\$ 22,589,774</u>	<u>\$ (1,091,881)</u>	<u>\$ -</u>	<u>\$ 21,497,893</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Water Nonmajor Enterprise Fund:				
Capital assets, not being depreciated:				
Land	\$ 51,250	\$ -	\$ -	\$ 51,250
Construction in progress	<u>-</u>	<u>44,622</u>	<u>-</u>	<u>44,622</u>
Total capital assets, not being depreciated	51,250	44,622	-	95,872
Capital assets, being depreciated:				
Buildings & Building Improvements	87,567	26,623	-	114,190
Vehicles, machinery, equipment and furniture	1,636,697	243,150	(174,094)	1,705,753
Distribution and collection systems	<u>41,456,295</u>	<u>1,059,750</u>	<u>(133,178)</u>	<u>42,382,867</u>
Total capital assets, being depreciated	43,180,559	1,329,523	(307,272)	44,202,810
Less accumulated depreciation for:				
Buildings & Building Improvements	(4,363)	(4,035)	-	(8,398)
Vehicles, machinery, equipment and furniture	(1,189,550)	(97,015)	164,634	(1,121,931)
Distribution and collection systems	<u>(25,568,312)</u>	<u>(725,663)</u>	<u>96,927</u>	<u>(26,197,048)</u>
Total accumulated depreciation	<u>(26,762,225)</u>	<u>(826,713)</u>	<u>261,561</u>	<u>(27,327,377)</u>
Total capital assets, being depreciated, net	<u>16,418,334</u>	<u>502,810</u>	<u>(45,711)</u>	<u>16,875,433</u>
Water Nonmajor Enterprise Fund capital assets, net	<u>\$ 16,469,584</u>	<u>\$ 547,432</u>	<u>\$ (45,711)</u>	<u>\$ 16,971,305</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Stormwater Nonmajor Enterprise Fund:				
Capital assets, not being depreciated				
Construction in Progress	\$ 194,093	\$ 9,794	\$ -	\$ 203,887
Total capital assets, not being depreciated	194,093	9,794	-	203,887
Capital assets, being depreciated:				
Distribution and collection systems	2,665,301	228,736	-	2,894,037
Total capital assets, being depreciated	2,665,301	228,736	-	2,894,037
Less accumulated depreciation for:				
Distribution and collection systems	(422,409)	(99,968)	-	(522,377)
Total accumulated depreciation	(422,409)	(99,968)	-	(522,377)
Total capital assets, being depreciated, net	2,242,892	128,768	-	2,371,660
Stormwater Nonmajor Enterprise Fund capital assets, net	<u>\$ 2,436,985</u>	<u>\$ 138,562</u>	<u>\$ -</u>	<u>\$ 2,575,547</u>

Depreciation expense was charged to functions of the City as follows:

Governmental Activities:

General government	\$ 135,408
Public safety	1,006,684
Public works	4,818,622
Community development	208,600
Culture and recreation	<u>1,424,587</u>
Total depreciation expense - governmental activities	<u>\$ 7,593,901</u>

Business-Type Activities:

Electric	\$ 5,199,961 *
Airport	6,182,674
Wastewater	1,213,825
Water	826,713
Stormwater	<u>99,968</u>
Total depreciation expense - business-type activities	<u>\$ 13,523,141</u>

*Represents depreciation of Electric capital assets and not regulatory amortization expense as reported on the Proprietary Funds Statement of Revenues, Expenses and Changes in Fund Net Position.

A summary of Burlington’s component unit Burlington School District’s capital assets activity is as follow:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Burlington School District:				
Capital assets, not being depreciated:				
Land	\$ 2,251,677	\$ -	\$ -	\$ 2,251,677
Construction in progress	<u>5,831,368</u>	<u>4,034,441</u>	<u>(9,313,336)</u>	<u>552,473</u>
Total capital assets, not being depreciated	8,083,045	4,034,441	(9,313,336)	2,804,150
Capital assets, being depreciated:				
Buildings and building improvements	55,855,644	9,313,336	-	65,168,980
Vehicles, machinery, equipment and furniture	<u>5,519,000</u>	<u>206,640</u>	<u>(40,917)</u>	<u>5,684,723</u>
Total capital assets, being depreciated	61,374,644	9,519,976	(40,917)	70,853,703
Less accumulated depreciation for:				
Buildings and building improvements	(18,407,552)	(1,304,293)	-	(19,711,845)
Vehicles, machinery, equipment and furniture	<u>(4,280,896)</u>	<u>(318,978)</u>	<u>40,917</u>	<u>(4,558,957)</u>
Total accumulated depreciation	<u>(22,688,448)</u>	<u>(1,623,271)</u>	<u>40,917</u>	<u>(24,270,802)</u>
Total capital assets, being depreciated, net	<u>38,686,196</u>	<u>7,896,705</u>	<u>-</u>	<u>46,582,901</u>
School capital assets, net	<u>\$ 46,769,241</u>	<u>\$ 11,931,146</u>	<u>\$ (9,313,336)</u>	<u>\$ 49,387,051</u>

12. Regulatory Assets and Other Prepaid Charges

For the Electric Department, regulatory and other prepaid charges at June 30, 2020 comprise the following:

Deferred depreciation expense to be recovered in future years	\$ 1,476,137
COVID-19 capitalized personnel costs	<u>231,768</u>
Total	<u>\$ 1,707,905</u>

A. *Deferred Depreciation Expense to be Recovered in Future Years*

Provisions for depreciation of capital assets, with the exception of the Joseph C. McNeil Generating Station (the McNeil Station), are reported using the straight-line method at rates based upon the estimated service lives and salvage values of the several classes of property. Depreciation of capital assets for the McNeil Station is calculated using the straight-line method. However, a portion of the current depreciation expense is only recoverable through future rates. The difference is included in deferred charges (calculated as the straight-line depreciation expense less the depreciation expense on a sinking fund basis) and will be recovered in future years. The Department recorded straight-line depreciation of \$4,723,051 for the year ended June 30, 2020. In 2020 \$145,921 of deferred depreciation expense was realized. Unamortized deferred depreciation balance of \$1,476,137 remained at June 30, 2020.

B. Deferred Retirement of Meters

Due to the Smart Grid/Meter project in 2012-2013, under a Department of Public Service directive, the depreciated book value of certain retired meters has been deferred and will be amortized over a five-year period. Amortization expense related to the deferred write off was \$4,132 for 2020.

C. COVID-19 Capitalized Personnel Costs

On July 31, 2020, the Electric Department filed a request with the PUC for an accounting order, pursuant to 30 V.S.A. Section 221, that would allow the Department to capitalize certain costs by debiting FERC account 182.3 (other regulatory assets) instead of showing the costs as expenses on its income statement for the year ending June 30, 2020. The Electric Department evaluated its budgeted capitalized labor and benefit expenses to identify which capital projects have been delayed specifically due to the COVID-19 pandemic for the year ending June 30, 2020. The Electric Department proposed to capitalize a record as a regulatory asset instead of showing these expenses on its income statement for the year ending June 30, 2020. On September 17, 2020, the PUC issued the accounting order. This regulatory asset will be amortized over a 5-year period beginning in fiscal year 2023 or a time concurrent with the effective date of the Electric Department's next rate case filing, whichever comes first.

13. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net position by the City that is 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 will be recognized as expense in future years and is more fully described in the corresponding pension and OPEB notes.

14. Accounts Payable and Accrued Expenses

Accounts payable represent fiscal year 2020 expenditures paid on or after July 1, 2020.

15. Short-Term Debt

A. Bond Anticipation Note

On August 15, 2019, the City issued a \$4,100,000 General Obligation Public Improvement Bond Anticipation Note (BAN), payable December 10, 2019. The interest rate was 1.92%. The BAN was paid in full on December 10, 2019 with \$25,147 of interest.

B. Grant Anticipation Note

In September 2015, the City issued on behalf of the Airport, a GAN in the principal amount of up to \$7,000,000, with an interest rate of 2.75%. The GAN has been rolling over each November. On November 14, 2019, the GAN was rolled at the adjusted overnight LIBOR rate. During the year drawdowns on the GAN amounted to \$498,672, while repayments were \$351,528, leaving an outstanding balance of \$498,672 on June 30, 2020.

C. Revenue Anticipation Note

In December 2015, the City issued a \$2,200,000 Parking Revenue Note with KeyBank, with an interest rate of 2.50%. In fiscal 2017 the City extended the note until March 3, 2017 when it was paid off. The City issued a \$5,200,000 note with Northfield Savings Bank on May 4, 2017 which matured on May 3, 2018. On June 4, 2018, the City converted the Parking Revenue Note to a long-term loan. The 10-year term loan will mature and be due in full on May 3, 2028.

In February 2012, the City issued on behalf of the Electric Department, a \$5,000,000 General Obligation Revenue Anticipation Note (Line of Credit) with a local bank, placing the Line of Credit directly with the Electric Department. On June 22, 2020, this Line of Credit was renewed for a two-year term to May 18, 2022. The Electric Department had the entire Line of Credit balance of \$5,000,000 available for use during fiscal year 2020 and there was no activity during the year.

D. Tax Anticipation Note

Due to the economic impact of the COVID-19 pandemic, the City, in anticipation of expected delays in the collection of taxes and other revenues and of additional expenses to address the COVID-19 emergency, took out a \$20,000,000 tax anticipation note (TAN). The TAN was dated May 6, 2020 and was payable on June 30, 2020. The City did not draw down on the TAN.

16. Long-Term Obligations – Primary Government

A. Types of Long-Term Obligations

General Obligation (GO) Bonds. The City issues general obligation bonds to provide resources for the acquisition and construction of major capital facilities and to refund prior bond issues. General obligation bonds have been issued for both governmental and proprietary activities. Bonds are reported in governmental activities if the debt is expected to be repaid from governmental fund revenues and in business-type activities if the debt is expected to be repaid from proprietary fund revenues.

No-Interest Revolving Loans. – The State of Vermont offers a number of no-interest revolving loan programs to utilize for predetermined purposes. Two of the five no-interest loans do charge a 2% administration fee. The City has borrowed money from

the Vermont Special Environmental Revolving Fund for sewer and stormwater projects. These bonds are both general obligation and revenue supported bonds.

Revenue Bonds – The City issues bonds where the City pledges income to pay the debt service. Revenue bonds are reported in business type activities only because the debt is expected to be repaid from proprietary fund revenues.

Unamortized Premiums and Discounts – Debt premiums and discounts incurred in connection with the sale of bonds are amortized over the terms of the related debt. Unamortized balances are included as a component of long-term debt.

Certificates of Participation (COPS) – The City enters into agreements for the purpose of financing the acquisition and/or renovation of land and buildings. These agreements qualify as long-term debt obligations for accounting purposes (even though they include clauses that allow for cancellation of the certificate of participation in the event the City does not appropriate funds in future years). The Certificates of Participation are reported in governmental activities because all of the debt is expected to be repaid from general governmental revenues.

Other Notes Payable – The City has other notes payable to finance various capital projects through local banks and U.S. Government agencies.

Capital Lease Obligations – The City 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. Leases are reported in governmental activities if the debt is expected to be repaid from general governmental revenue and in business-type activities if the debt is expected to be repaid from proprietary fund revenues.

Compensated Absences – It is the policy of the City to permit certain employees to accumulate earned but unused benefits. The City allows employees to carryover up to 360 hours of vested vacation time to the next fiscal year. The City also allows all employees hired prior to July 1, 2000 to carry over the lesser of 25% of their sick leave balance or 120 hours. City employees hired after July 1, 2000 may carryover earned sick leave balances; however, it is not a vested benefit upon termination. Compensated absences are paid by the applicable fund where the employee is charged.

Insurance Reserves – This liability represents an estimate of claims incurred but not reported and includes only an estimate for known loss events expected to later be presented as claims. The City is unable to estimate the amount of unknown loss events expected to become claims and expected future developments on claims already reported. Insurance Reserves are generally liquidated by the General Fund.

Pension and Other Post-employment Benefits – The City has recorded a liability for the governmental and business-type activities in the Statement of Net Position and in the individual enterprise funds which represent their actuarially determined liabilities for pension and other post-employment benefits. These costs relate to retirement and subsidized health care and life insurance for retirees during the period from retirement to the date of eligibility for social security benefits. Our proprietary fund pension and OPEB liabilities are liquidated by the Electric, Airport, and other enterprise funds. Remaining pension and OPEB liabilities are paid by the general fund.

A detailed listing of the general obligation bonds and other debt payable is as follows:

<u>Governmental Activities:</u>	<u>Serial</u> <u>Maturities</u> <u>Through</u>	<u>Interest</u> <u>Rate(s) %</u>	<u>Amount</u> <u>Issued</u>	<u>Amount</u> <u>Outstanding</u> <u>as of</u> <u>6/30/20</u>
Non-TIF Public offering general obligation and revenue bonds:				
General Improvements 2011 Series A	06/30/2021	3.00 - 4.75%	\$ 1,000,000	\$ 45,000
General Improvements 2011 Series A - Fire	06/30/2021	3.00 - 4.75%	1,325,000	60,000
General Improvements 2011 Series A - Street Paving	06/30/2021	3.00 - 4.75%	3,250,000	150,000
General Improvements 2011 Series B	06/30/2030	2.00 - 4.75%	1,000,000	545,000
Public Improvement Bonds 2012 Series A	06/30/2023	5.00%	1,000,000	135,000
Public Improvement Bonds 2012 Series A	06/30/2023	5.00%	2,000,000	270,000
Taxable G.O. Bonds 2013 Series A - Fiscal Stability	11/01/2028	3.50 - 5.25%	9,000,000	5,795,000
Public Improvement Bonds 2014 Series A	11/15/2034	0.51 - 3.99%	2,000,000	1,500,000
Public Improvement Bonds 2015 Series A	06/30/2023	5.00%	2,000,000	230,000
Refunding Bond Series 2016A	06/30/2030	3.00 - 5.00%	2,195,000	1,145,000
Public Improvement Bonds 2016 Series B	11/01/2036	4.00 - 5.00%	2,000,000	1,810,000
Refunding Bond Series 2016C	11/01/2029	2.00 - 5.00%	2,545,000	2,355,000
Public Improvement Bonds 2017 Series A	11/01/2036	1.20 - 3.85%	5,267,000	4,602,000
Public Improvement Bonds 2017 Series B	11/01/2032	5.00%	2,730,000	2,730,000
Public Improvement Bonds 2017 Series C	11/01/2037	2.00 - 5.00%	2,000,000	1,870,000
Public Improvement Bonds 2018 Series A - UVM & Champlain College	11/01/2037	4.00 - 5.00%	5,650,000	5,285,000
Public Improvement Bonds 2018 Series A - Fire Truck	11/01/2030	4.00 - 5.00%	3,000,000	2,810,000
Public Improvement Bonds 2018 Series A - G.O. Capital	11/01/2038	4.00 - 5.00%	6,000,000	5,820,000
Public Improvement Bonds 2018 Series B - City Portion	11/01/2038	5.00%	2,000,000	1,940,000
Public Improvement Bonds 2019 Series A - City Portion	11/01/2039	3.00 - 5.00%	2,000,000	2,000,000
Public Improvement Bonds 2019 Series A - Sustainable Bonds	11/01/2039	3.00 - 5.00%	10,500,000	10,500,000
Taxable G.O. Bonds Refunding 2019 Series C - City Portion	11/01/2035	1.844 - 3.031%	9,225,000	9,225,000
Refunding COP Series 2016B - DPW Facility Project	06/30/2021	3.00-5.00%	1,445,000	315,000
Taxable Revenue Refunding Notes 2019A Series A	06/01/2028	3.14%	3,779,850	3,583,671
Total non-TIF public offering general obligation and revenue bonds				64,720,671

(continued)

(continued)

	Serial	Interest	Amount	Amount
	Maturities	Rate(s) %	Issued	Outstanding
<u>Governmental Activities:</u>	<u>Through</u>			<u>as of</u>
				<u>6/30/20</u>
TIF public offering general obligation bonds:				
Refunding COP Series 2016A - Lakeview Garage Project	06/30/2025	3.00 - 5.00%	5,145,000	2,625,000
General Obligation Tax Increment Bonds, Series 2017D	11/01/2035	2.00 - 5.00%	3,400,000	3,135,000
General Obligation Tax Increment Bonds, Series 2018C	05/01/2025	5.00%	405,000	315,000
General Obligation Tax Increment Bonds, Series 2018D	11/01/2035	5.00%	1,570,000	1,510,000
General Obligation Waterfront Tax Increment Bonds Series 2018E	05/01/2025	4.30%	745,000	575,000
General Obligation Waterfront Tax Increment Bonds Series 2019	06/30/2025	2.61%	4,360,000	4,287,182
Total TIF public offering general obligation bonds				<u>12,447,182</u>
Total public offering general obligation and revenue bonds				77,167,853
TIF direct borrowing debt:				
HUD Section 108 - US Guaranteed Notes 2014	06/15/2025	5.00%	2,091,000	1,136,000
Total TIF direct borrowing debt				1,136,000
BCDC direct borrowing loans:				
Airport support hanger	11/01/2020	4.09%	2,977,500	1,831,819
Refinancing VEDA	11/19/2020	3.75%	560,000	357,263
Aviation support hanger	06/01/2026	3.00%	1,400,000	511,026
Total BCDC direct borrowing loans				<u>2,700,108</u>
Total direct borrowing debt:				3,836,108
TIF direct placement debt:				
Special Obligation Tax Increment Financing Bond	11/15/2024	0.51 - 4.28%	7,800,000	3,900,000
Total TIF direct placement debt				3,900,000
BCDC direct placement loans:				
Gilbane property	10/30/2025	6.25%	324,049	153,164
Relief long term notes	11/15/2024	3.25 - 4.00%	996,116	177,308
Total BCDC direct placement loans				<u>330,472</u>
Total direct placement debt				4,230,472
Total Governmental Activities:				<u>\$ 85,234,433</u>

The HUD Section 108-US guaranteed notes, originally issued in 2003 and 2005, have a variable rate of interest based on the three (3) month LIBOR rate plus .2%.

A detailed listing of the general and revenue obligation bonds expected to be repaid by proprietary funds are as follows:

<u>Business-Type Activities:</u>	<u>Serial</u> <u>Maturities</u> <u>Through</u>	<u>Interest</u> <u>Rate(s) %</u>	<u>Amount</u> <u>Issued</u>	<u>Amount</u> <u>Outstanding</u> <u>as of</u> <u>6/30/20</u>
Public offering general obligation bonds:				
Electric General Improvements 2011 Series A	11/01/2031	3.00 - 4.75%	\$ 1,000,000	\$ 45,000
Electric General Improvements 2011 Series B	11/01/2031	2.00 - 4.75%	1,000,000	685,000
Electric Public Improvement 2012 Series A	11/01/2032	5.00%	2,000,000	265,000
Electric Public Improvement 2012 Series A	11/01/2032	5.00%	1,750,000	235,000
Electric Taxable Public Improvement 2012 Series B	11/01/2032	6.00%	1,250,000	965,000
Electric G.O. Public Improvement Bonds 2014 Series 3	11/01/2034	2.78%	3,000,000	2,250,000
Electric G.O. Public Improvement Bonds 2015 Series A	11/01/2035	5.00%	3,000,000	345,000
Electric G.O. Refunding Bond 2016 Series A	11/01/2029	2.00-5.00%	10,235,000	8,820,000
Electric G.O. Public Improvement Bonds 2016 Series B	11/01/2036	4.00 - 5.00%	3,000,000	2,715,000
Electric G.O. Refunding Bond 2016 Series C	11/01/2029	2.00 - 5.00%	7,785,000	7,190,000
Electric Taxable Refunding 2016 Series D	11/01/2029	1.15 - 3.25%	9,680,000	8,640,000
Electric G.O. Public Improvement Bonds 2017 Series C	11/01/2037	2.00-5.00%	3,000,000	2,800,000
Electric G.O. Public Improvement Bonds 2018 Series B	11/01/2038	5.00%	3,000,000	2,910,000
Electric G.O. Public Improvement Bonds 2019 Series A	11/01/2040	4.39%	3,000,000	3,000,000
Electric G.O Public Improvement Bonds 2019 Series C	11/01/2036	2.59%	8,130,000	8,130,000
Total public offering general obligation bonds				48,995,000
Other public offering debt:				
Electric Revenue Bonds 2011 Series A	07/01/2031	4.25 - 5.75%	8,775,000	615,000
Electric Revenue Bonds 2011 Series B	07/01/2031	7.25 - 8.25%	3,135,000	280,000
Airport Revenue Refunding 2012 Series A	07/01/2028	4.00 - 5.00%	17,670,000	16,245,000
Electric Revenue Bonds 2014 Series A	07/01/2035	3.78%	12,000,000	9,720,000
Electric Revenue Bonds 2014 Series B	07/01/2035	3.36%	5,820,000	3,125,000
Airport Revenue Refunding 2014 Series A	07/01/2030	0.67 - 3.59%	15,660,000	12,230,000
Water System Revenue Bonds 2017 Series A	11/01/2036	2.00 - 5.00%	3,250,000	3,010,000
Electric Revenue Bonds 2017 Series A	07/01/2031	4.00-5.00%	4,010,000	4,010,000
Taxable Electric Revenue Bonds 2017 Series B	07/01/2031	2.20-3.65%	5,410,000	4,980,000
Water System Revenue Bonds 2018 Series A	11/01/2038	4.00-5.00%	2,000,000	1,940,000
Water System Revenue Bonds 2018 Series B	11/01/2038	5.00%	2,000,000	1,940,000
Total other public offering debt				58,095,000
Total public offering debt:				107,090,000
Direct borrowing debt:				
Stormwater Revenue Obligation Bond (VMBB)	10/01/2031	0.00%	1,204,000	298,167
Wastewater State of VT-EPA 2006 Series I (Siphon)	02/01/2027	0.00%	1,650,000	607,862
Wastewater State of VT-EPA 2001 Series I (Digester)	08/01/2027	0.00%	2,500,000	723,451
Wastewater State of VT-EPA 2009 Series I (Turbo)	10/01/2031	0.00%	120,000	36,757
Water State Revolving Loan RF3-295	11/01/2034	1.00%	253,340	154,450
Total direct borrowing debt				1,820,687
Direct placement debt:				
Wastewater VT Municipal Bond Bank 2014 Series 1	11/15/2033	0.643 - 4.723%	14,645,620	10,251,934
Total direct placement debt				10,251,934
Total Business-Type Activities:				\$ 119,162,621

B. Future Debt Service

The annual payments to retire all governmental general obligation long-term debt outstanding as of June 30, 2020 are as follows:

Year Ending June 30.	Governmental Activities					
	Public Offering General Obligation Bonds		Direct Borrowing		Direct Placement	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 4,770,997	\$ 3,375,537	\$ 2,127,769	\$ 40,371	\$ 848,922	\$ 175,604
2022	4,673,751	3,119,589	299,947	33,055	852,175	119,103
2023	4,826,911	2,851,812	303,969	25,639	855,595	91,585
2024	4,980,490	2,572,241	308,095	18,284	838,096	62,146
2025	8,858,501	2,362,329	493,494	11,598	822,689	31,124
2026 - 2030	22,494,203	8,299,190	283,872	8,533	12,995	34,851
2031 - 2035	16,373,000	3,995,915	18,962	-	-	259
2036 - 2040	10,190,000	873,360	-	-	-	-
Total	<u>\$ 77,167,853</u>	<u>\$ 27,449,973</u>	<u>\$ 3,836,108</u>	<u>\$ 137,480</u>	<u>\$ 4,230,472</u>	<u>\$ 514,672</u>

The annual payments to retire all business-type (and each Enterprise fund) long-term debt outstanding as of June 30, 2020 are as follows:

Year Ending June 30.	Business-Type Activities					
	Public Offering General Obligation and Revenue Bonds		Direct Borrowing		Direct Placement	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 7,640,000	\$ 4,264,329	\$ 195,966	\$ -	\$ 732,281	\$ 390,948
2022	8,290,000	3,963,446	199,956	-	732,281	369,440
2023	8,240,000	3,645,512	204,028	-	732,281	345,881
2024	8,605,000	3,306,899	208,204	-	732,281	320,766
2025	8,990,000	2,946,098	212,425	-	732,281	294,273
2026 - 2030	44,115,000	9,204,128	641,910	-	3,661,405	1,037,450
2031 - 2035	16,405,000	2,618,686	135,751	-	2,929,124	259,646
2036 - 2040	4,805,000	408,404	22,447	-	-	-
Total	<u>\$ 107,090,000</u>	<u>\$ 30,357,502</u>	<u>\$ 1,820,687</u>	<u>\$ -</u>	<u>\$ 10,251,934</u>	<u>\$ 3,018,404</u>

Year Ending June 30.	Public Offering General Obligation Bonds	
	Principal	Interest
2021	\$ 5,035,000	\$ 2,685,279
2022	5,550,000	2,514,821
2023	5,365,000	2,334,987
2024	5,600,000	2,133,399
2025	5,845,000	1,907,273
2026 - 2030	28,345,000	6,232,328
2031 - 2035	12,810,000	1,892,061
2036 - 2040	3,175,000	266,404
Total	<u>\$ 71,725,000</u>	<u>\$ 19,966,552</u>

<u>Airport Enterprise Fund</u> <u>Year Ending June 30,</u>	<u>Public Offering Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 2,355,000	\$ 1,249,675
2022	2,480,000	1,128,800
2023	2,605,000	1,001,675
2024	2,725,000	877,075
2025	2,855,000	755,275
2026 - 2030	14,050,000	1,793,050
2031	1,405,000	35,125
Total	<u>\$ 28,475,000</u>	<u>\$ 6,840,675</u>

<u>Wastewater Nonmajor</u> <u>Enterprise Fund</u> <u>Year Ending June 30,</u>	<u>Direct Borrowing</u>		<u>Direct Placement</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
	2021	\$ 168,558	\$ -	\$ 732,281
2022	171,929	-	732,281	369,440
2023	175,367	-	732,281	345,881
2024	178,894	-	732,281	320,766
2025	182,452	-	732,281	294,273
2026 - 2030	481,529	-	3,661,405	1,037,450
2031 - 2033	9,341	-	2,929,124	259,646
Total	<u>\$ 1,368,070</u>	<u>\$ -</u>	<u>\$ 10,251,934</u>	<u>\$ 3,018,404</u>

<u>Water Nonmajor</u> <u>Enterprise Fund</u> <u>Year Ending June 30,</u>	<u>Public Offering Revenue Bonds</u>		<u>Direct Borrowing</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
	2021	\$ 250,000	\$ 329,375	\$ 7,097
2022	260,000	319,825	7,310	4,421
2023	270,000	308,850	7,530	4,201
2024	280,000	296,425	7,756	3,975
2025	290,000	283,550	7,988	3,743
2026 - 2030	1,720,000	1,178,750	43,683	14,972
2031 - 2035	2,190,000	691,500	50,639	8,014
2036 - 2039	1,630,000	142,000	22,447	1,015
Total	<u>\$ 6,890,000</u>	<u>\$ 3,550,275</u>	<u>\$ 154,450</u>	<u>\$ 44,975</u>

<u>Stormwater Nonmajor</u>		
<u>Enterprise Fund</u>	<u>Direct Borrowing</u>	
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 20,311	\$ -
2022	20,717	-
2023	21,131	-
2024	21,554	-
2025	21,985	-
2026 - 2030	116,698	-
2031 - 2033	75,771	-
Total	<u>\$ 298,167</u>	<u>\$ -</u>

C. Changes in General Long-Term Liabilities

During the year ended June 30, 2020, the following changes occurred in long-term liabilities for the City's Governmental and Business-Type Activities, as well as each enterprise fund:

	Total Balance 7/1/2019	Additions	Refunding	Reductions	Total Balance 6/30/2020	Less Current Portion	Equals Long Term Portion
<u>Governmental Activities</u>							
Bonds payable:							
General obligation bonds	\$ 59,749,143	\$ 26,085,000	\$ (8,417,143)	\$ (3,832,818)	\$ 73,584,182	\$ (4,370,637)	\$ 69,213,545
Revenue bonds	-	3,779,850	-	(196,179)	3,583,671	(400,360)	3,183,311
Debt from direct borrowings and direct placements	13,378,420	-	(3,721,844)	(1,589,996)	8,066,580	(2,976,691)	5,089,889
Add unamortized premium	4,804,783	2,248,534	-	(916,963)	6,136,354	(408,052)	5,728,302
Subtotal bonds payable	<u>77,932,346</u>	<u>32,113,384</u>	<u>(12,138,987)</u>	<u>(6,535,956)</u>	<u>91,370,787</u>	<u>(8,155,740)</u>	<u>83,215,047</u>
Net pension liability	51,148,996	5,174,947	-	-	56,323,943	-	56,323,943
Total OPEB liability	3,859,111	1,227,021	-	-	5,086,132	-	5,086,132
Obligations under capital leases	2,465,318	-	-	(674,736)	1,790,582	(478,782)	1,311,800
Compensated absences	2,337,344	2,032,642	-	(1,719,981)	2,650,005	(265,000)	2,385,005
Insurance reserves	1,551,866	-	-	(88,439)	1,463,427	(1,146,164)	317,263
Total	<u>\$ 139,294,981</u>	<u>\$ 40,547,994</u>	<u>\$ (12,138,987)</u>	<u>\$ (9,019,112)</u>	<u>\$ 158,684,876</u>	<u>\$ (10,045,686)</u>	<u>\$ 148,639,190</u>

	Total Balance 7/1/2019	Additions	Refunding	Reductions	Total Balance 6/30/2020	Less Current Portion	Equals Long Term Portion
<u>Business-type Activities - Combined</u>							
<u>All Enterprise Funds</u>							
Bonds payable:							
General obligation bonds	\$ 48,045,714	\$ 11,130,000	\$ (7,205,714)	\$ (2,975,000)	\$ 48,995,000	\$ (3,290,000)	\$ 45,705,000
Revenue bonds	55,130,000	-	-	(3,925,000)	51,205,000	(4,100,000)	47,105,000
Debt from direct borrowings and direct placements	18,432,294	-	-	(992,193)	17,440,101	(1,002,592)	16,437,509
Add unamortized premium	6,377,802	551,292	-	(951,099)	5,977,995	(188,954)	5,789,041
Less unamortized discount	(1,285,610)	60,906	-	(384,406)	(1,609,110)	-	(1,609,110)
Subtotal	<u>126,700,200</u>	<u>11,742,198</u>	<u>(7,205,714)</u>	<u>(9,227,698)</u>	<u>122,008,986</u>	<u>(8,581,546)</u>	<u>113,427,440</u>
State revolving loan	1,694,663	-	-	(172,143)	1,522,520	(175,655)	1,346,865
Net pension liability	17,190,512	3,948,263	-	(2,308,722)	18,830,053	-	18,830,053
Total OPEB liability	1,475,865	462,947	-	(440,708)	1,498,104	-	1,498,104
Obligations under capital leases	4,650,126	648,866	-	(790,369)	4,508,623	(731,307)	3,777,316
Compensated absences	1,303,356	587,184	-	(236,484)	1,654,056	(63,127)	1,590,929
Other noncurrent liabilities	391,770	-	-	(1,238)	390,532	-	390,532
Total	<u>\$ 153,406,492</u>	<u>\$ 17,389,458</u>	<u>\$ (7,205,714)</u>	<u>\$ (13,177,362)</u>	<u>\$ 150,412,874</u>	<u>\$ (9,551,635)</u>	<u>\$ 140,861,239</u>

	Total Balance 7/1/2019	Additions	Refunding	Reductions	Total Balance 6/30/2020	Less Current Portion	Equals Long Term Portion
Electric Enterprise Fund							
Bonds payable:							
General obligation bonds	\$ 48,045,714	\$ 11,130,000	\$ (7,205,714)	\$ (2,975,000)	\$ 48,995,000	\$ (3,290,000)	\$ 45,705,000
Revenue bonds	24,410,000	-	-	(1,680,000)	22,730,000	(1,745,000)	20,985,000
Add unamortized premium	4,518,341	551,292	-	(751,338)	4,318,295	-	4,318,295
Less unamortized discount	(1,285,610)	60,906	-	(384,406)	(1,609,110)	-	(1,609,110)
Subtotal bonds payable	75,688,445	11,742,198	\$ (7,205,714)	(5,790,744)	74,434,185	(5,035,000)	69,399,185
Net pension liability	13,727,447	3,586,032	-	(2,308,722)	15,004,757	-	15,004,757
Total OPEB liability	1,251,810	189,414	-	(440,708)	1,000,516	-	1,000,516
Compensated absences	761,214	261,572	-	-	1,022,786	-	1,022,786
Other noncurrent liabilities	391,770	-	-	(1,238)	390,532	-	390,532
Total	\$ 91,820,686	\$ 15,779,216	\$ (7,205,714)	\$ (8,541,412)	\$ 91,852,776	\$ (5,035,000)	\$ 86,817,776

	Total Balance 7/1/2019	Additions	Refunding	Reductions	Total Balance 6/30/2020	Less Current Portion	Equals Long Term Portion
Airport Enterprise Fund							
Revenue bonds	\$ 30,720,000	\$ -	\$ -	\$ (2,245,000)	\$ 28,475,000	\$ (2,355,000)	\$ 26,120,000
Add unamortized premium	996,829	-	-	(153,687)	843,142	(142,880)	700,262
Subtotal	31,716,829	-	-	(2,398,687)	29,318,142	(2,497,880)	26,820,262
Net pension liability	1,623,323	211,126	-	-	1,834,449	-	1,834,449
Total OPEB liability	112,007	145,177	-	-	257,184	-	257,184
Obligations under capital leases	4,526,223	-	-	(753,780)	3,772,443	(600,281)	3,172,162
Compensated absences	280,769	168,539	-	(122,139)	327,169	(32,717)	294,452
Total	\$ 38,259,151	\$ 524,842	\$ -	\$ (3,274,606)	\$ 35,509,387	\$ (3,130,878)	\$ 32,378,509

	Total Balance 7/1/2019	Additions	Refunding	Reductions	Total Balance 6/30/2020	Less Current Portion	Equals Long Term Portion
Wastewater Nonmajor Enterprise Fund							
Debt from direct borrowings	\$ 10,984,215	\$ -	\$ -	\$ (732,281)	\$ 10,251,934	\$ (732,281)	\$ 9,519,653
Direct placement state revolving loans	1,533,322	-	-	(165,252)	1,368,070	(168,558)	1,199,512
Net pension liability	838,441	80,108	-	-	918,549	-	918,549
Total OPEB liability	64,364	47,292	-	-	111,656	-	111,656
Obligations under capital leases	110,817	-	-	(17,883)	92,934	(18,567)	74,367
Compensated absences	117,326	103,978	-	(111,491)	109,813	(10,981)	98,832
Total	\$ 13,648,485	\$ 231,378	\$ -	\$ (1,026,907)	\$ 12,852,956	\$ (930,387)	\$ 11,922,569

	Total Balance 7/1/2019	Additions	Refunding	Reductions	Total Balance 6/30/2020	Less Current Portion	Equals Long Term Portion
Water Nonmajor Enterprise Fund							
Debt from direct borrowings	\$ 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
Obligations under capital leases	13,086.00	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	\$ 9,360,091	\$ 854,022	\$ -	\$ (314,525)	\$ 9,899,588	\$ (435,059)	\$ 9,464,529

	Total Balance 7/1/2019	Additions	Refunding	Reductions	Total Balance 6/30/2020	Less Current Portion	Equals Long Term Portion
Stormwater Nonmajor Enterprise Fund							
Debt from direct borrowings	\$ 318,079	\$ -	\$ -	\$ (19,912)	\$ 298,167	\$ (20,311)	\$ 277,856
Total	\$ 318,079	\$ -	\$ -	\$ (19,912)	\$ 298,167	\$ (20,311)	\$ 277,856

D. Advanced Refunding

Current Year

City

On December 10, 2019, the City issued taxable general obligation public improvement refunding bonds (the “refunding bonds”) in the amount of \$9,225,000 with fixed interest rates ranging from 1.844% to 3.031% to advance refund \$8,417,143 of refunded bonds. The refunding bonds were issued at 2.61% and, after paying issuance costs of \$117,847, the net proceeds were \$9,107,153. The net proceeds from the issuance of the refunding bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the refunded bonds are called. The advance refunding met the requirements of an in-substance debt defeasance and the refunded bonds were removed from the City’s financial statements.

As a result of the advance refunding, the City reduced its total debt service cash flow requirements by \$1,010,845, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$853,789.

Burlington Electric Department

During the fiscal year ended June 30, 2020, the Electric Department, through the City of Burlington, issued \$3,000,000 in general obligation bonds, 2019 Series A, with an average coupon rate of 5.00%. These bonds were issued in accordance with the City Charter to cover annual capital improvements to the electric infrastructure of the Department for use during fiscal year 2020. The Department, through the City of Burlington issued \$8,130,000 in general obligation bonds, 2019 Series C, with an average coupon rate of 2.44%. These bonds were issued for the purpose of providing funds, together with other available funds, for the refunding of the maturities of prior bonds: Series 2011A, Series 2011B, Series 2012A, Series 2013B, and Series 2015A. The Department is expecting a net savings of \$963,302 with a present value of \$753,130.

17. Capital Lease Obligations

Primary Government

The City is the lessee of certain equipment under capital leases expiring in various years through 2027.

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>
Capital lease for airport equipment. The rental payments are to be made in equal annual installments of \$74,487 including interest at 2.77% annually, maturing on August 10, 2025.	\$ -	\$ 408,311
Capital lease for general fund, traffic, and airport equipment. The rental payments are to be made in equal semiannual installments of \$201,469 including interest at 2.37% annually, maturing on September 2, 2024.	647,283	765,261
Capital lease for airport. The rental payments are to be made in equal semiannual installments of \$172,507 including interest at 2.99% annually, maturing on September 18, 2027.	-	2,302,681
Capital lease for airport and parks vehicles, and DPW equipment. The rental payments are to be made in equal semiannual installments of \$172,696 (inclusive of the Pension System) including interest at 2.465% annually, maturing on September 30, 2023.	855,210	296,190
Capital lease for wastewater truck. The rental payments are to be made in equal monthly installments of \$1,812 including interest at 3.76% annually, maturing on February 20, 2025.	-	92,934
Capital lease for water truck. The rental payments are to be made in equal monthly installments of \$6,935, including interest at 3.97% annually, maturing on February 25, 2021.	-	6,671
Capital lease for general fund vehicles. The rental payments are to be made in equal monthly installments of \$102,833, including interest at 3.45%, maturing on May 15, 2023.	288,089	-
Capital lease for water truck. The rental payments are to be made in equal annual installments of \$16,338 including interest at 4.15% annually, maturing on March 15, 2026.	-	85,227
Capital lease for water equipment and vehicles. The rental payments are to be made in equal semiannual installments of \$159,498 including interest at 1.64% annually, maturing on June 19, 2027.	-	551,348
Total capital lease obligations	1,790,582	4,508,623
Less: amount due within one year	(478,782)	(731,307)
Capital lease obligation, net of current portion	\$ <u>1,311,800</u>	\$ <u>3,777,316</u>

Future minimum lease payments under the capital and operating leases consisted of the following as of June 30, 2020:

Fiscal <u>Year</u>	Governmental <u>Activities</u>	Business-Type <u>Activities</u>
2021	\$ 522,968	\$ 848,428
2022	522,968	841,494
2023	510,105	826,289
2024	266,142	766,656
2025	68,939	633,485
Thereafter	<u>-</u>	<u>1,025,075</u>
Total minimum lease payments	1,891,122	4,941,427
Less amounts representing interest	<u>(100,540)</u>	<u>(432,804)</u>
Present Value of Minimum Lease Payments	<u>\$ 1,790,582</u>	<u>\$ 4,508,623</u>

The following is an analysis for the leased assets included in capital assets at June 30, 2020:

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>
Machinery, vehicles and equipment	\$ 3,595,772	\$ 9,479,725
Less: accumulated depreciation	<u>(553,862)</u>	<u>(1,164,196)</u>
Equipment under capital leases, net	<u>\$ 3,041,910</u>	<u>\$ 8,315,529</u>

Burlington Employees Retirement System

The System is the lessee of the PTG Software System under a master capital lease entered into in fiscal year 2017 and fiscal year 2018. The lease will be terminated on February 16, 2021 as the City has elected to outsource retirement processing.

18. Long-Term Obligations of Burlington School District

A. Bonds Payable

All bonds payable and notes from direct borrowings payable are direct obligations of the Burlington School District, for which its full faith and credit are pledged. The Burlington School District is not obligated for any special assessment debt. All debt is payable from taxes levied on all taxable property within the Burlington School District.

The Burlington School District has various bonds outstanding as follows (amounts exclude unamortized bond premium):

<u>School District:</u>	<u>Serial</u> <u>Maturities</u> <u>Through</u>	<u>Interest</u> <u>Rate(s) %</u>	<u>Amount</u> <u>Issued</u>	<u>Amount</u> <u>Outstanding</u> <u>as of</u> <u>6/30/20</u>
General obligation bonds, net of premiums:				
G.O. School 2010 Series A Qualified School Constr.	11/1/2026	6.50%	9,700,000	\$ 9,700,000
G.O. School 2010 Series B Taxable GO Public Impr.	11/1/2026	6.50%	2,000,000	2,000,000
General Improvements 2011 Series B	11/1/2031	2.00 - 4.75%	2,000,000	1,370,000
G.O. Public Improvement Bonds 2014 Series A	11/15/2034	0.51 - 3.99%	2,000,000	1,500,000
G.O. Public Improvement Bonds 2016 Series A	3/15/2036	2.00 - 5.00%	4,005,000	2,820,000
G.O. Public Improvement Bonds 2016 Series B	11/1/2036	4.00 - 5.00%	2,000,000	1,810,000
G.O. Public Improvement Bonds 2016 Series C	11/1/2029	2.00 - 5.00%	1,650,000	1,525,000
G.O. Public Improvement Bonds 2017 Series C	11/1/2037	2.00 - 5.00%	2,300,000	2,145,000
G.O. Public Improvement Bonds 2018 Series B	11/1/2038	5.00%	8,000,000	7,760,000
G.O. Public Improvement Bonds 2019 Series A	11/1/2039	4.00%	6,000,000	6,000,000
G.O. Public Improvement Refunding Bonds 2019 Series C	11/1/2035	1.84 - 3.03%	5,495,000	5,495,000
Subtotal School District				42,125,000
Plus: unamortized premiums				1,695,974
Total School District				<u>\$ 43,820,974</u>

B. Future Debt Service

The annual payments to retire the Burlington School District's bonds payable outstanding as of June 30, 2020 are as follows (amounts include unamortized bond premiums):

<u>School</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,546,166	\$ 2,021,119	\$ 3,567,285
2022	1,611,166	1,966,409	3,577,575
2023	1,676,166	1,904,798	3,580,964
2024	1,901,166	1,835,576	3,736,742
2025	1,991,166	1,760,173	3,751,339
2026 - 2030	21,455,159	4,965,496	26,420,655
2031 - 2035	8,226,663	2,017,011	10,243,674
2036 - 2040	5,413,322	499,821	5,913,143
Total	<u>\$ 43,820,974</u>	<u>\$ 16,970,403</u>	<u>\$ 60,791,377</u>

C. Refunding

On December 10, 2019, the District issued a General Obligation Refunding Bond in the amount of \$5,495,000 to refinance the 2012A, 2013B and 2015A series bonds. As a result, that portion of the 2012A, 2013B and 2015A bonds are considered defeased and the District has removed the liability from its accounts.

19. Deferred Inflows of Resources

Deferred inflows of resources are the acquisition of net position by the City that are applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. Deferred inflows of resources related to pension and

OPEB will be recognized as expense in future years and is more fully described in the corresponding pension and OPEB notes.

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

20. Governmental Funds - Balances

Fund balances are segregated to account for resources that are either not available for expenditure in the future or are legally set aside for a specific future use.

The City has implemented *GASB Statement No. 54 (GASB 54), Fund Balance Reporting and Governmental Fund Type Definitions*, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions.

The following types of fund balances are reported at June 30, 2020:

Nonspendable - This fund balance classification includes general fund reserves for prepaid expenditures, inventory, advances to other funds, and nonmajor governmental fund reserves for the principal portion of permanent trust funds.

Restricted - This fund balance classification includes various special revenue funds, capital project unspent bond proceeds, unspent grants and the income portion of permanent trust funds.

Committed - This fund balance classification includes general fund encumbrances for non-lapsing, special appropriations approved at City Council meetings and various special revenue funds, including dedicated taxes.

Assigned – This fund balance classification includes general fund amounts that are constrained by the City’s intent to use the resources for a specific purpose in subsequent years.

Unassigned - Represents general fund amounts that may be available to be spent in future periods and deficits in other governmental funds.

Following is a breakdown of the City's fund balances at June 30, 2020:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable			
Advances to other funds	\$ 1,119,120	\$ -	\$ 1,119,120
Inventory and prepaid expenditures	-	377,865	377,865
Nonexpendable permanent funds	-	1,263,008	1,263,008
Total Nonspendable	<u>1,119,120</u>	<u>1,640,873</u>	<u>2,759,993</u>
Restricted			
Future debt payments	4,722,039	-	4,722,039
Police equitable sharing funds	207,033	-	207,033
Community development	-	4,017,523	4,017,523
TIF waterfront	-	2,261,349	2,261,349
TIF downtown	-	1,790,514	1,790,514
Impact fees	-	1,583,964	1,583,964
Waterfront access	-	681,040	681,040
Capital improvement program	-	15,434,138	15,434,138
Traffic capital	-	497,550	497,550
FEMA	-	66,988	66,988
Parks and other projects	-	2,276,544	2,276,544
Other capital project funds	-	3,279,913	3,279,913
Expendable permanent funds	-	122,847	122,847
Total Restricted	<u>4,929,072</u>	<u>32,012,370</u>	<u>36,941,442</u>
Committed			
Library books and donations	78,015	-	78,015
Public records restoration	303,488	-	303,488
Compressed natural gas	172,231	-	172,231
Parking and other projects	23,000	-	23,000
Traffic	-	3,292,281	3,292,281
Telecom sale proceeds	-	1,201,930	1,201,930
Total Committed	<u>576,734</u>	<u>4,494,211</u>	<u>5,070,945</u>
Assigned for			
Operating non-departmental	5,481,514	-	5,481,514
Reappraisal	650,000	-	650,000
Early learning initiative (ELI)	618,282	-	618,282
COVID-19	586,603	-	586,603
Great Streets - Champlain College	520,000	-	520,000
Health insurance reserve - limits	500,000	-	500,000
Brookfield development fees	256,019	-	256,019
WC reserve - limits	250,000	-	250,000
Snow removal reserve	250,000	-	250,000
Facility repair reserve	250,000	-	250,000
Employee wellness	229,300	-	229,300
Permitting reserve - (trades & zoning)	200,000	-	200,000
Fleet reserve	165,000	-	165,000
Early learning initiative grant	153,727	-	153,727
Facility repair reserve	150,000	-	150,000
Operating HR	139,000	-	139,000
Other purposes	601,018	-	601,018
Total Assigned	<u>11,000,463</u>	<u>-</u>	<u>11,000,463</u>
Unassigned			
Total Unassigned	<u>8,618,219</u>	<u>(3,498,162)</u>	<u>5,120,057</u>
Total Fund Balance	<u>\$ 26,243,608</u>	<u>\$ 34,649,292</u>	<u>\$ 60,892,900</u>

21. Retirement System (GASB 68)

The City follows the provisions of *GASB Statement No. 68, Accounting and Financial Reporting for Pensions* with respect to the Burlington Employees' Retirement System (the System).

A. Plan Description

The System is a cost sharing, single employer, defined benefit pension plan covering substantially all of its employees except elective officials, other than the mayor, and the majority of the public-school teachers, who are eligible for the Vermont State Teacher's Retirement System. The plan is broken down into Class A participants and Class B participants. Class A participants are composed of firemen and policemen. Class B participants include all other covered City employees. The City's total covered payroll was \$49,218,437. The System does not issue a stand-alone financial report.

The System is governed by an eight-member board. The eight members include three appointed by the City Council, two Class A members of the system selected by the Class A membership, two Class B members of the system elected by the Class B membership, and the City Treasurer as an ex officio member. Of the Class A and Class B board members, no two shall be employed at the same department.

The City Council has the authority to amend the benefit terms of the System by enacting ordinances and sending them to the Mayor for approval.

There are 913 active members and 766 retirees or beneficiaries currently receiving benefits. Additionally, there are 489 former employees with vested rights.

B. Benefits Provided

Class A participants vest 20 percent after three years of creditable service, and 20 percent for each year thereafter until they are 100 percent vested after 7 years of creditable service. The normal benefit is payable commencing at age 55 or with 25 years of service. Class A participants who retire at or after age 55 with 7 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2.75 percent of their average final compensation (AFC) during the highest three non-overlapping twelve-month periods (five years for certain non-union police employees) times creditable service not in excess of 25 years plus .5 percent of the AFC times years of creditable service between 25 and 35 years, prior to age 60 and a yearly COLA based on CPI. Class A retirees could alternatively elect to choose an accrual rate of 3.25% and one-half the yearly COLA, or an accrual rate of 3.8% (3.6% for service from July 2006 forward) and no COLA. The half and no COLA options have been eliminated for new policemen hired after July 1, 2006 and new firemen hired after January 1, 2007. Also, these new hires have a 2.65 percent accrual rate only. Employees may retire prior to age 55 and receive reduced retirement benefits. Class A employees have unreduced benefits after 25 years of service, regardless of age.

All eligible City Class B employees vest 20 percent after three years of creditable service, and 20 percent for each year thereafter until they are 100 percent vested after 7 years of creditable service. Class B participants who retire at or after age 65 are entitled to a retirement benefit, payable monthly for life, equal to 1.60 percent of AFC (at age 65) during the highest three non-overlapping twelve-month periods times creditable service at age 65 not in excess of 25 years plus .5 percent of AFC times creditable service at age 65 in excess of 25 years and a yearly COLA based on the CPI. Class B retirees could alternatively elect to choose an accrual rate of 1.9% for service up to June 30, 2006 and 1.8% thereafter and one half the yearly COLA, or an accrual rate of 2.2% for service up to June 30, 2006 and 2.0% thereafter and no COLA. The half and no COLA options have been eliminated for new hires after January 1, 2006 and they are only entitled to a 1.4% accrual rate. Employees may retire prior to age 65 and receive reduced retirement benefits. Creditable service or an actuarial increase is used after age 65. For Class B IBEW participants hired after October 30, 2012, the number of years used in the calculation of AFC was changed from three years to five. Also, the disability retirement was revised from 75% of pay to 66⅔% of pay.

The system also provides accidental and line of duty death benefits for Class A participants, and disability and survivor income benefits for both Class A and Class B participants. The benefits are changed by negotiation and by the Retirement Board with budgetary approval by the City Council.

C. Contributions

Participants contribute a set percentage of their gross regular compensation annually. Class A participants contribute 11.0% of earnable compensation for the first 35 years of creditable service, and none thereafter. Class B participants, who elected to continue to be eligible for early retirement benefits at 2% per year deduction between ages 55 and 65, in accordance with the 2006-2009 collective bargaining agreement, contribute 5.2%. All other Class B participants contribute 4.2%.

Effective retroactive July 1, 2018, employees shall contribute a percentage so that all employees are contributing 28% (and the City is contributing 72%) of the total contribution required. For Fiscal Year 2019, this shall mean that the contribution rate for a Class B employee is 4.41% of the employee's base pay.

Effective July 1, 2020, employees shall contribute a percentage so that all employees are contributing 29% (and the City is contributing 71%) of the total contribution required.

Effective July 1, 2021, employees shall contribute a percentage so that all employees are contributing 30% (and the City is contributing 70%) of the total contribution required.

Notwithstanding the above, an individual Class B employee's contribution shall not exceed 5.6% of their eligible wages in Fiscal Year 2019, 5.8% in Fiscal Year 2020, 6.2% in Fiscal Year 2021, or 7% in Fiscal Year 2022.

The Board establishes employer contributions based on an actuarially determined contribution recommended by an independent actuary. The actuarially determined contribution is the estimated amount necessary to finance the costs of benefits earned by the System members during the year, with an additional amount to finance a portion of any unfunded accrued liability. The calculation of the actuarially determined contribution is governed by the applicable provisions of the Retirement Code.

D. Net Pension Liability

The components of the net pension liability as of June 30, 2020, measured as of June 30, 2019, is shown below:

Total pension liability	\$ 278,151,191
System fiduciary net position	<u>(194,713,459)</u>
Net pension liability	<u>\$ 83,437,732</u>
Plan fiduciary net position as a percentage of the net pension liability	70.00%

Target Allocations – 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 (expected returns, net of pension plan investment expense and inflation) 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 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset 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%

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 contributions will continue to be made in accordance with the current funding policy. Based on those assumptions, the pension plan’s fiduciary net position was projected to

be available to make all projected future benefit payments to current System members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the System’s net pension liability calculated using the discount rate of 7.40%, as well as what the System’s net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.40%) or 1 percentage-point higher (8.40%) than the current rate:

	1% <u>Decrease</u>	Current Discount <u>Rate</u>	1% <u>Increase</u>
Primary government	\$ 103,852,327	\$ 75,153,996	\$ 48,432,237
Discretely presented component unit	<u>11,200,801</u>	<u>8,283,736</u>	<u>8,504,886</u>
Net Pension Liability	<u>\$ 115,053,128</u>	<u>\$ 83,437,732</u>	<u>\$ 56,937,123</u>

E. Deferred Outflows and (Inflows) of Resources

For the year ended June 30, 2020, the City recognized pension expense of \$13,923,416 and the School District recognized pension expense of \$892,038. In addition, the City reported deferred outflows of resources and deferred (inflows) of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Primary Government:		
Fiscal year 2020 deferred pension contributions	\$ 8,726,178	\$ -
Changes in proportional share of contributions	1,677,446	(1,087,135)
Difference between expected and actual pension experience	1,237,542	(1,616,848)
Changes in assumptions	3,786,309	(3,381,687)
Difference between projected and actual investment earnings	<u>605,529</u>	<u>-</u>
Total Primary Government ⁽¹⁾	16,033,004	(6,085,670)
Discretely Presented Component Unit:		
Fiscal year 2020 deferred pension contributions	1,242,218	-
Changes in proportional share of contributions	128,656	(718,967)
Difference between expected and actual pension experience	136,406	(178,215)
Changes in assumptions	417,340	(372,741)
Difference between projected and actual investment earnings	<u>66,743</u>	<u>-</u>
Total Discretely Presented Component Unit	<u>1,991,363</u>	<u>(1,269,923)</u>
Total	<u>\$ 18,024,367</u>	<u>\$ (7,355,593)</u>

Deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized in pension expense in the year

ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense as follows:

	<u>Deferred Outflows/ (Inflows) of Resources</u>
Year ended June 30:	
2021	\$ 2,044,780
2022	(2,656,933)
2023	1,027,714
2024	<u>805,595</u>
Total Primary Government	1,221,156
Year ended June 30:	
2021	(482,356)
2022	(288,107)
2023	160,890
2024	<u>88,795</u>
Total Discretely Presented Component Unit	<u>(520,778)</u>
Total	<u><u>\$ 700,378</u></u>

F. Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 5.2%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

22. Retirement System (GASB 67)

The System follows the provision of *GASB Statement No. 67, Financial Reporting for Pension Plans*.

A. Actuarial Assumptions

The total actuarially determined contribution to the system for 2020 was \$9,715,893. A summary of the actuarial assumptions as of the latest actuarial valuation is shown below (GASB 67 Disclosure Report was completed as of June 30, 2020):

Valuation Date	June 30, 2019
Actuarial cost method	Entry Age Normal Actuarial Cost Method (level percentage of salary)
Actuarial assumptions:	
Investment rate of return	7.40% (Prior 7.50%)
Inflation rate	2.60%
Post-employment cost-of-living adjustment	Increases averaging 3.00% per year were assumed
Assumed annual rates of salary increases	3.50% - 10.00%

Actuarial valuation of the ongoing System involves estimates of the reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The actuarial assumptions used in the June 30, 2019 valuation were based on the results of the most recent actuarial experience study covering the period July 1, 2012 to June 30, 2017.

Actuarial valuation of the ongoing System involves estimates of the reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality and future salary increases.

Mortality rates were based on the RP-2014 Mortality Tables. This mortality assumption was selected based on the most recently published mortality study released by the Society of Actuaries.

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 contributions will continue to be made in accordance with the current funding policy. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current System members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Net Pension Liability – The components of the net pension liability, measured as of June 30, 2020, were as follows:

Total pension liability	\$ 287,739,213
Plan fiduciary net position	<u>(194,588,161)</u>
Net pension liability	<u>\$ 93,151,052</u>
Plan fiduciary net position as a percentage of the net pension liability	67.63%

23. Vermont State Teachers' Retirement System

A. Plan Description

All of the teachers employed by the Burlington School District (BSD), a component unit of the City participate in the Vermont State Teachers' Retirement System ("VSTRS"), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, covering nearly all public day school and nonsectarian private Union teachers and administrators as well as teachers in schools and teacher training institutions within and supported by the State of Vermont that are controlled by the State Board of Education. Membership in the system for those covered classes is a condition of employment. During the year ended June 30, 2019 (the most recent period available), the retirement system consisted of 22,561 participating members.

The plan was established effective July 1, 1947, and is governed by *Title 16, V.S.A. Chapter 55*. Subsequent Vermont state legislation, *Act 74*, which became effective on July 1, 2010, contained numerous changes to the plan benefits available to current and future members, as well as a change in access to health care coverage after retirement, resulting from a multi-party agreement to provide sustainability of quality pension and retiree health benefits for Vermont teachers.

The general administration and responsibility for formulating administrative policy and procedures of the retirement System for its members and their beneficiaries is vested in the Board of Trustees consisting of six members. They are the Secretary of Education (ex-officio); the State Treasurer (ex-officio), the Commissioner of Financial Regulation (ex-officio); two members and one alternate elected by active members of the System under rules adopted by the Board; and one retired member and one alternate elected by the board of directors of Association of Retired Teachers of Vermont. The Chair is elected by the Board and acts as executive officer of the Board.

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service. The Vermont State Agency of Administration issues a publicly available Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information for the VSTRS. That

report may be viewed on the State’s Department of Finance & Management website at: http://finance.vermont.gov/reports_and_publications/cafr.

B. Benefits Provided

The VSTRS provides retirement, and disability benefits, annual cost-of-living adjustments, health care and death benefits to plan members and beneficiaries. There are two levels of contributions and benefits in the System: Group A - for public school teachers employed within the State of Vermont prior to July 1, 1981 and elected to remain in Group A; and Group C - for public school teachers employed within the State of Vermont on or after July 1, 1990. Group C also includes those teachers hired prior to July 1, 1990 and were in Group B on July 1, 1990. When *Act 74* became effective on June 30, 2010, Group C was further bifurcated into Groups 1 and 2. Group 1 contains members who were at least 57 years of age or had at least 25 years of service, and Group 2 contains members who were less than 57 years of age and had less than 25 years of service.

Benefits available to each group are based on average final compensation (AFC) and years of creditable service, and the full chart is disclosed in the stand-alone BSD financial statements.

C. Contributions

VSTRS is a cost-sharing, public employee retirement system with one exception: all risks and costs are not shared by the School District but are the liability of the State of Vermont. VSTRS is funded through State and employee contributions and trust fund investment earnings; and the School District has no legal obligation for paying benefits. Required contributions to the System are made by the State of Vermont based upon a valuation report prepared by the System’s actuary, which varies by plan group. The Vermont State Teachers Retirement System estimates the contributions on behalf of the School District’s employees included in the teacher’s retirement plan which approximates \$6,277,532 or 19.15% of total payroll for employees covered under the plan.

Employee contribution rates by plan group follow:

<u>VSTRS</u>	<u>Group A</u>	<u>Group C - Group 1</u>	<u>Group C - Group 2</u>
Employee Contributions	5.5% of gross salary	5.0% of gross salary with 5 or more years of service as of 7/1/14 6.0% of gross salary if less than 5 years of service as of 7/1/14	5.0% of gross salary with 5 or more years of service as of 7/1/14 6.0% of gross salary if less than 5 years of service as of 7/1/14

Employee contributions totaled \$1,785,758 during the year and were paid by the School District to the State of Vermont. The School District has no other liability under the plan. The School District’s total payroll for all employees covered under this plan was \$32,780,844 for the year ended June 30, 2020.

D. Pension Liabilities

The State is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of member employers. Therefore, these employers are considered to be in a special funding situation as defined in GASB No. 68 and the State is treated as a nonemployer to VSTRS. Since the School District does not contribute directly to VSTRS, no net pension liability was recorded at June 30, 2020. The State's portion of the collective net pension liability that was associated with the School District was \$71,563,284 as of June 30, 2020.

The State of Vermont's proportionate share of the net pension liability associated with the School District is equal to the collective net pension liability, actuarially measured as of June 30, 2019, multiplied by the School District's proportionate share percentage. The School District's proportionate share percentage was based on its reported salaries to the total reported salaries for all participating employers. At June 30, 2019, the School District's proportion was 4.58555% which was an increase of 0.09215% from its proportion measured as of June 30, 2018.

E. Pension Expense

For the year ended June 30, 2020, the School District recognized total pension expense of \$9,428,028 and revenue of \$9,428,028 for support provided by the State of Vermont for the VSTRS plan.

F. Significant Actuarial Assumptions and Methods

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using the actuarial assumptions outlined below. These assumptions were selected on the basis of the experience study that was performed on July 27, 2015:

Investment Rate of Return – 7.50% net of pension plan investment expenses, including inflation.

Inflation – The separately stated assumptions for investment return, salary increases and cost of living adjustments for the VSTRS plan is consistent with an expected annual inflation rate of 2.50% per year.

Salary Increases – Representative values of the assumed annual rates of future salary increases for the VSTRS plan are based on age and are between 3.75% and 9.09%.

Deaths After Retirement – The VSTRS plan used 98% of the RP-2006 White Collar Employee with generational projection using Scale SSA-2017 for pre-retirement, 98% of the RP-2006 White Collar Annuitant with generational projection using Scale SSA-2017 for healthy retirees, and the RP-2006 Disabled Mortality Table with generational projection using Scale SSA-2017 for disabled retirees.

Inactive Members - Valuation liability for the VSTRS plan equals 250.0% of accumulated contributions.

Future Administrative Expenses - No provisions were made, expenses of the System are paid by the State.

Unknown Data for Participants - For the VSTRS plan, it is the same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.

Percent Married - 85% of male members and 35% of female members are assumed to be married.

Cost-of-Living Adjustments – Adjustments for the VSTRS plan are assumed to occur on January 1 following one year of retirement. For the VSTRS plan this occurs at the rate of 2.55% per annum for Group A members and 1.40% per annum for Group C members (beginning at age 62 for Group C members who elect reduced early retirement). The January 1, 2020 COLA is assumed to be 1.60% for Group A and 1.00% for Group C.

Actuarial Cost Method – Uses the Entry Age Actuarial Cost Method. Entry age is the age at date of employment, or, if date is unknown, current age minus years of service. Normal Cost and Accrued Actuarial Liability are calculated on an individual basis and are allocated by salary, with Normal Cost determined using the plan of benefits applicable to each participant.

For the VSTRS plan, the *asset valuation method* used equals the preliminary asset value plus 20% of the difference between the market and preliminary asset values. The preliminary asset value is equal to the previous year's asset value (for valuation purposes) adjusted for contributions less benefit payments and expenses and expected investment income. If necessary, a further adjustment is made to ensure that the valuation assets are within 20% of the market value.

The *long-term expected rate of return* on the VSTRS plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) developed for each major asset class. These best estimate ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real rate of Return</u>
Global Equity	29.00%	6.90%
US Equity - Large Cap	4.00%	5.94%
US Equity - Small/Mid Cap	3.00%	6.72%
Non-US Equity - Large Cap	5.00%	6.81%
Non-US Equity - Small Cap	2.00%	7.31%
Emerging Markets Debt	4.00%	4.26%
Core Bonds	14.00%	1.79%
Non-Core Bonds	6.00%	3.22%
Short Quality Credit	5.00%	1.81%
Private Credit	5.00%	6.00%
US TIPS	3.00%	1.45%
Core Real Estate	5.00%	4.26%
Non-Core Real Estate	3.00%	5.76%
Private Equity	10.00%	10.81%
Infrastructure/Farmland	2.00%	4.89%

G. Discount Rate

The discount rate used to measure the total pension liability was 7.50% for the VSTRS plan. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy which exceeds the actuarially determined contribution rate. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current System members. The assumed discount rate has been determined in accordance with the method prescribed by GASB 68.

24. Other Post-Employment Benefits (OPEB)

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 expense/expenditures. 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. The City's post-employment benefit plan is a single-employer plan.

A. City OPEB Plan

All the following OPEB disclosures are based on a measurement date of June 30, 2020.

General Information about the OPEB Plan

Plan Description

The City provides post-employment healthcare benefits for retired employees through the City's plan. The OPEB plan is not administered through a trust that meets the criteria in paragraph 4 of GASB 75.

The City indirectly provides post-employment healthcare for retired employees through an implicit rate covered by current employees. Retirees of the City who participate in this single-employer plan pay 100% of the healthcare premiums to participate in the City's healthcare program. Since they are included in the same pool as active employees, the insurance rates are implicitly higher for current employees due to the age consideration. This increased rate is an implicit subsidy the City pays for the retirees.

In addition, the City allows certain retired employees to purchase health insurance through the City at the City's group rate. GASB 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 the City and meet the eligibility criteria may receive these benefits.

Plan Membership

At July 1, 2019 (the last full valuation date), the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries	
currently receiving benefit payments	698
Active plan members	<u>673</u>
Total	<u><u>1,371</u></u>

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60%
Rate of annual aggregate payroll growth	2.60%
Discount rate	2.21%
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

Since the OPEB plan is not funded, the selection of the discount rate is consistent with the GASB 75 standard linking the discount rate to the 20- year AA municipal bond index for unfunded OPEB plans. The discount rate was based on the published Bond Buyer GO 20-Bond Municipal Index effective as of June 30, 2020.

Mortality rates were as follows:

- Class A: RP-2014 Adjusted to 2006 Total Dataset Mortality Table, projected to the valuation date with Scale MP-2019.
- Class B: RP-2014 Adjusted to 2006 Total Dataset Mortality Table, projected to the valuation date with Scale MP-2019, set forward two years.
- Disabled: RP-2014 Adjusted to 2006 Disabled Mortality Table, projected to the valuation date with Scale MP-2019.

The actuarial assumptions used in the valuation were based on the results of the experience study that was performed for the five-year period ending June 30, 2012.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.21%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate.

Total OPEB Liability

The City's total OPEB liability of \$6,584,236 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019.

Changes in the Total OPEB Liability

The following summarizes the changes in the total OPEB liability for the past year.

	Total OPEB Liability
Balance as of June 30, 2019	\$ 5,334,976
Changes for the year:	
Service cost	239,652
Interest	191,430
Differences between expected and actual experience	(463,076)
Changes in assumptions or other inputs	1,524,927
Benefit payments	<u>(243,673)</u>
Net Changes	<u>1,249,260</u>
Balance as of June 30, 2020	<u>\$ 6,584,236</u>

Changes of assumptions and other inputs reflect a change in mortality tables, healthcare cost trend rates, estimation of termination prior to retirement, and a change in the discount rate from 3.51% in 2019 to 2.21% in 2020.

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:

1% <u>Decrease</u>	Current Discount <u>Rate</u>	1% <u>Increase</u>
\$ 7,532,436	\$ 6,584,236	\$ 5,799,717

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%</u> <u>Decrease</u>	Healthcare Cost Trend <u>Rates</u>	<u>1% Increase</u>
\$ 5,971,294	\$ 6,584,236	\$ 7,331,118

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

For the year ended June 30, 2020, the City recognized an OPEB expense of \$591,617. At June 30, 2020, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>(Inflows) of</u> <u>Resources</u>
Difference between expected and actual experience	\$ 92,143	\$ (553,689)
Change in assumptions	1,437,857	(91,768)
Changes in proportional share of contributions	<u>401,299</u>	<u>(401,299)</u>
Total	<u>\$ 1,931,299</u>	<u>\$ (1,046,756)</u>

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

<u>Year Ended June 30:</u>	
2021	\$ 160,535
2022	160,535
2023	160,535
2024	160,526
2025	160,733
Thereafter	<u>81,679</u>
Total	<u>\$ 884,543</u>

B. Burlington School District OPEB Plan

Plan Description

In addition to providing pension benefits, the City provides post-employment healthcare insurance benefits for retired employees from the Burlington School District.

Benefits Provided

The City provides medical benefits in various options for both active employees and retirees. Each class of employees are eligible for explicit subsidies based on dates of enrollment and years of service. Spouses of retirees are able to remain on the applicable plan as long as the retiree is covered. Surviving spouses are allowed to continue coverage only as permitted by COBRA.

The City provides life insurance benefits to certain classes of employees. Office personnel retired on/before June 30, 2018 and AFSCME (Bus, Food, Technology Services, and Maintenance) employees are eligible to obtain \$10,000 in life insurance at normal, disability, or termination retirement with the premiums being paid by the School District.

Eligibility

All employees are eligible for disability retirement with 10 years of service. All employees are eligible to retire after termination with the District if at termination the employee is age 50 with 15 years of service. Retiree health benefits will commence at age 55 for these terminated employees. Retiree health benefits are only available to Teachers, Administrative Staff, and Paraeducators.

Teachers/Administrative Staff

Certified teachers and staff are eligible for retiree health care benefits until age 65 once they meet the District's retirement eligibility requirements:

1. Age 55 and 15 years of service
2. 30 years of service

Paraeducators

Paraeducators are eligible for retiree health care benefits until age 65 once they meet the District's retirement eligibility requirements, which is age 55 with 20 years of service.

Food, Maintenance, Bus, Technology Services

Food, Maintenance, Technology Services, and Bus personnel are eligible for subsidized life insurance once they meet the School District's retirement eligibility requirements, which are as follows:

1. Age 55
2. 25 years of service

These groups are only eligible for subsidized life insurance and are ineligible to continue health coverage with the District at retirement.

Employees Covered by Benefit Terms

At June 30, 2020, the following employees were covered by the benefit terms:

Retirees and spouses	37
Active plan members	<u>678</u>
Total	<u><u>715</u></u>

The active participants' number above may include active employees who currently have no health care coverage.

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

At June 30, 2020, the District reported a liability of \$5,714,402 for its total OPEB liability for this Plan. The total OPEB liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

For the year ended June 30, 2020, the District recognized OPEB expense of \$264,693. At June 30, 2020, the District reported deferred outflows of resources and deferred (inflows) of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ 75,246	\$ 391,760
Change in assumptions	<u>205,080</u>	<u>456,459</u>
Total	<u><u>\$ 280,326</u></u>	<u><u>\$ 848,219</u></u>

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

<u>Year Ended June 30:</u>	
2021	\$ (135,185)
2022	(135,185)
2023	(135,182)
2024	(58,093)
2025	<u>(104,248)</u>
Total	\$ <u>(567,893)</u>

Discount Rate

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of June 30, 2020. The discount rate determination is based on the yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The rate of 2.66% per annum for June 30, 2020 was based upon a measurement date of June 30, 2019. The sensitivity of the total and net OPEB liability to changes in discount rate are as follows:

<u>1% Decrease</u> <u>(1.66%)</u>	<u>Current Discount Rate</u> <u>(2.66%)</u>	<u>1% Increase</u> <u>(3.66%)</u>
\$ 6,057,882	\$ 5,714,402	\$ 5,375,993

Healthcare Trend

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of health care. The healthcare cost trend rate is the rate of change in per capita health claim costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design and technological developments. The sensitivity of the total and net OPEB liability to changes in healthcare cost trend rates are as follows:

<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
\$ 5,089,740	\$ 5,714,402	\$ 6,442,212

Actuarial Methods, Inputs and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

The total OPEB liability for the Plan was determined as of June 30, 2020 based on an actuarial valuation date of June 30, 2020.

Discount Rate: 2.66% as of June 30, 2020 and 3.51% for July 1, 2019

Experience Study

Best actuarial practices call for a periodic assumption review and Nyhart recommends the School District to complete an actuarial assumption review (also referred to as an experience study). The actuarial assumptions have not been updated since at least the 2010 valuation.

Health Care Trend Rates

<u>FYE</u>	<u>Rates</u>	<u>FYE</u>	<u>Rates</u>
2021	8.0%	2025	6.0%
2022	7.5%	2026	5.5%
2023	7.0%	2027	5.0%
2024	6.5%	2028+	4.5%

Inflation Rate: 2.3% per year

Mortality:

Teachers and Admin employees and retirees: SOA Pub-2010 Teacher Headcount Weighted Mortality Table fully generational using Scale MP-2020

Non-Teacher Employees and retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020

Disabled Retirees: SOA Pub-2010 Non-Safety Disabled Retiree Headcount Weighted Mortality Table fully generational using Scale MP-2020

Surviving Spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020

Salary Increase Rate

General wage inflation of 2.3% plus merit/productivity increases based on the assumptions used in the City of Burlington actuarial valuation as of June 30, 2019 for Non-Teachers and Vermont State Teachers Retirement System (VSTRS) OPEB actuarial valuation as of June 30, 2020 for Teachers/Admin.

Benefit Changes

There have been no substantive plan provision changes since the last full valuation, which was for the fiscal year ending June 30, 2018.

25. Other Post Employment Benefit (OPEB) Plans – Burlington School District

Vermont State Teachers' Retirement System

A. Plan Description

The Vermont State Teachers' Retirement System provides postemployment benefits to eligible VSTRS employees who retire from the System through a cost-sharing, multiple-employer postemployment benefit (OPEB) plan (the Plan).

The plan covers nearly all public day school and nonsectarian private high school teachers and administrators as well as teachers in schools and teacher training institutions within and supported by the State that are controlled by the State Board of Education. Membership in the system for those covered classes is a condition of employment. During the year ended June 30, 2019, the Plan consisted of 184 participating employers and at June 30, 2018 (the most recent period available), the Plan consisted of 6,713 retired members or beneficiaries currently receiving benefits and 9,892 active members.

Vermont Statute Title 16 Chapter 55 assigns the authority to VSTRS to establish and amend the benefits provisions of the Plan and to establish maximum obligations of the Plan members to contribute to the Plan. Management of the Plan is vested in the Vermont State Teachers' Retirement System Board of Trustees, which consists of the Secretary of Education (ex-officio); the State Treasurer (ex-officio); the Commissioner of Financial Regulation (ex-officio); two trustees and one alternate who are members of the system (each elected by the system under rules adopted by the Board) and one trustee and one alternate who are retired members of the system receiving retirement benefits (who are elected by the Association of Retired Teachers of Vermont).

All assets of the Plan are held in a single trust and are available to pay OPEB benefits to all members. The Vermont State Agency of Administration issues a publicly available Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information for the VSTRS. That report may be viewed on the State's Department of Finance & Management website at: http://finance.vermont.gov/reports_and_publications/cafr.

B. Benefits Provided

VSTRS retirees and their spouses are eligible for medical, prescription drug, and dental benefits on a lifetime basis if the retiree is eligible for pension benefits, as described in the Notes to Financial Statements for Defined Benefit Plans.

C. Contributions

The contributions chart is disclosed in the stand-alone Burlington School District financial statements.

Premium Reduction Option: Participants retiring on or after January 1, 2007 with a VSTRS premium subsidy have a one-time option to reduce the VSTRS subsidy percentage during the retiree's life so that a surviving spouse may continue to receive the same VSTRS subsidy for the spouse's lifetime. If the retiree elects the joint and survivor pension option but not the Premium Reduction Option, spouses are covered for the spouse's lifetime but pay 100% of the plan premium after the retiree's death.

D. OPEB Liabilities

The State is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of member employers. Therefore, these employers are considered to be in a special funding situation as defined in GASB 75 and the State is treated as a nonemployer to VSTRS. Since the District does not contribute directly to VSTRS, no net OPEB liability was recorded at June 30, 2020. The State's portion of the collective net OPEB liability that was associated with the District was \$41,513,836.

The State of Vermont's proportionate share of the net OPEB liability associated with the District is equal to the collective net OPEB liability, actuarially measured as of June 30, 2019, multiplied by the District's proportionate share percentage. The District's proportionate share percentage was based on its reported salaries to the total reported salaries for all participating employers. At June 30, 2019, the District's proportion was 3.98883% which was an increase of 0.04115% from its proportion measured as of June 30, 2018.

E. OPEB Expense

For the year ended June 30, 2020, the District recognized total OPEB expense of \$2,278,252 and revenue of \$2,278,252 for support provided by the State of Vermont for the Plan.

F. Discount Rate

The discount rate is the single rate of return, that when applied to all projected benefit payments, results in an actuarial present value that is the sum of the actuarial present value of projected benefit payments projected to be funded by plan assets using a long term rate of return, and the actuarial present value of projected benefit payments that are

not included in (1) using a yield or index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

G. Healthcare Trend Rate

Health care trend measures the anticipated overall rate at which health plan costs are expected to increase in future years. The trend rate assumptions were developed using Segal's internal guidelines, which are established each year using data sources such as the 2019 Segal Health Trend Survey, internal client results, trends from other published surveys prepared by the S&P Dow Jones Indices, consulting firms and brokers, and CPI statistics published by the Bureau of Labor Statistics.

H. Actuarial Methods and Assumptions

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

Actuarial Cost Method

The Entry Age Normal Actuarial Cost Method is used to determine costs. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for this Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

Amortization

The total OPEB liability of this Plan is amortized on an open 30-year period. The amortization method is a level dollar amortization method.

Asset Valuation Method

The Asset Valuation Method used equals the preliminary asset value plus 20% of the difference between the market and preliminary asset values. The preliminary asset value is equal to the previous year's asset value (for valuation purposes) adjusted for contributions less benefit payments and expenses and expected investment income. If necessary, a further adjustment is made to ensure that the valuation assets are within 20% of the market value.

The long-term expected rate of return on both plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) developed for each major asset class. These best estimate ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real rate of Return</u>
Large cap equity	20.00%	7.50%
International equity	15.00%	7.75%
Emerging international equity	5.00%	9.25%
Core bonds	60.00%	4.37%
Inflation		2.75%

Assumptions

The actuarial assumptions used to calculate the actuarially determined contribution rates can be found in the Report on the Actuarial Valuation of Post-Retirement Benefits of the Vermont State Teachers' Retirement System Prepared as of June 30, 2016 completed by Buck Consulting. As of June 30, 2019, they are as follows:

Discount Rate	3.50%
Salary Increase Rate	Varies by age
Non-Medicare	7.15% graded to 4.50% over 12 years
Medicare	7.30% graded to 4.50% over 11 years
Retiree Contributions	Equal to health trend
Pre-retirement Mortality	98% of RP-2006 White Collar Employee with generational projection using Scale SSA-2018.
Post-retirement Mortality	98% of RP-2006 White Collar Annuitant with generational projection using Scale SSA-2018.

I. Changes in Net OPEB Liability

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2019 with the following exceptions:

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The amortization period was six

years for June 30, 2019. For the fiscal year ended June 30, 2019, there were no changes in assumptions except for the discount rate being increased from 3.87% to 3.50%.

26. Commitments and Contingencies

A. 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 City, 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.

B. Burlington International Airport

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 expenditures which may be disallowed by the grantor cannot be determined at this time, although the Fund expects such amounts, if any, to be immaterial.

Construction Commitments

The Airport has a number of ongoing Airport Improvement Program (AIP) projects for construction and land acquisition as well as several Passenger Facility Passenger Facility Charges (PFC) projects for terminal improvements that are funded from restricted assets. AIP projects include taxiway reconstruction, storm-water treatment projects, building demolition related to previously acquired property and land acquisition. The PFC projects include energy projects, cargo apron reconstruction, escalator and baggage carousel projects and related work.

C. Electric Department Commitments and Contingencies

The Burlington Electric Department (BED) receives output from generation of the McNeil Generating Station, the Burlington Gas Turbine, the Winooski One hydro facility, the Airport Solar array, and the Pine Street Solar array. Except for the McNeil Generating Station (for which BED is the operator and 50% owner), BED owns 100% of the remaining resources and is also responsible for their operation.

In addition to energy provided by its owned generation, BED purchases a portion of its electricity requirements pursuant to long-term (greater than one year in duration) contracts. During the fiscal year ended June 30, 2020, long-term sources of purchased power included:

- New York Power Authority (NYPA) power from hydro stations on the Niagara and St. Lawrence rivers under contracts through September 1, 2025 (Niagara) and through April 30, 2032 (St. Lawrence).
- Vermont Electric Power Producers, Inc. (VEPP) which is agent for hydro facilities located within Vermont (contracts expire in 2020).
- Deliveries pursuant to a ten-year contract with Vermont Wind commenced in September 2011 (for test energy), with the official ten-year contract start date being October 19, 2011 when commercial energy production began. Under the contract, BED receives 16 MW (40%) of Vermont Wind's wind farm in northeast Vermont (Sheffield) through October 18, 2026. BED's 16 MW entitlement is expected to provide approximately 10% of BED's annual energy requirements.
- BED purchases energy from the Georgia Mountain Community Wind (GMCW) project with commercial operation on December 31, 2012. Pursuant to a 25-year contract, BED receives 10MW (100%) entitlement from Georgia Mountain's wind farm in Milton/Georgia, Vermont. GMCW is expected to produce energy sufficient to meet 9% of BED's annual energy needs.
- Deliveries pursuant to a ten-year contract with Hancock began in December 2016. Under the contract, BED will receive 13.5 MW (26.5%) of Hancock's wind farm. It is expected to produce energy sufficient to meet approximately 11% of BED's annual energy needs.
- Prior to 2017, BED has received energy from long term purchases from a number of small in-state resources under a state mandated feed-in tariff program (called Standard Offer Resources). Effective January 1, 2017, BED was exempted from purchasing energy from these high-priced resources (in recognition of its 100% renewable energy purchases). BED expects this exemption to continue through at least 2021.
- Purchase of the output from 6 small in-city solar projects under long-term agreements.
- The Burlington City Council, the Vermont Public Service Board, and the voters of Burlington have approved a 23-year energy-only contract with Hydro-Quebec. The contract was executed and deliveries began (for BED) in November 2015. Under the contract, BED will receive 5 MW of contract energy for the period November 1, 2015 to October 31, 2020 and a second (additional) 4 MW of contract energy for the period November 1, 2020 to October 31, 2038. BED's entitlement is expected to provide approximately 6%-15% of BED's annual energy requirements depending on whether one, or both, contract entitlements are flowing in a particular year.

- In 2013, BED entered a long-term power agreement to purchase the output of a proposed 2.5 MW solar generating facility to be located in Burlington (South Forty Solar). This facility came online in January of 2018 and provides the Department with VT Class 2 RECs as well as energy and reduced capacity and transmission requirements.
- In 2017, BED signed a two-year contract with Great River Hydro with deliveries beginning January 1, 2019. In 2019, this contract was extended for five additional years from 2021 through 2024. The Department receives 7.5 MW during 16 peak hours of each day, along with the attributed RECs (that qualify as VT Class I). This contract is sourced from one or more hydro facilities in the State of Vermont.

Energy and Capacity Payments under these long-term power supply contracts were \$12,887,835 for the year ended June 30, 2020. Budgeted commitments under these long-term contracts and long-term contracts approved and executed for future delivery periods total approximately \$76,532,306 for the 5-year period from July 1, 2020 to June 30, 2024.

<u>Fiscal Year</u>	<u>Budgeted Commitment</u>
2021	\$ 14,867,240
2022	15,361,581
2023	15,549,996
2024	15,827,446
2025	<u>14,926,043</u>
	<u>\$ 76,532,306</u>

The remainder of BED's energy requirement (if any) is satisfied through short-term purchases including:

- Short-term purchases from a number of market counterparties, if necessary.
- Net exchange of energy through the Independent System Operator New England power markets.

The costs of power purchased under these contracts are accounted for as purchase power expenses in the statements of revenues, expenses, and changes in net position. The percentages of the Department's total energy requirements were provided as follows:

	<u>2020</u>
McNeil Generating Station and Gas Turbine	35%
Winooski One	9%
New York Power Authority	6%
Vermont Electric Power Producers	0%
Standard Offer	25%
Wind Production	8%
Hydro-Quebec	12%
NextEra	4%
Great River Hydro	<u>1%</u>
Total	<u><u>100%</u></u>

Note the percentages are relative to the Department's total sources rather than a percentage of requirements, and the Department sells RECs associated with much of the above generation and the above table should not be considered a representation of BED's renewability. In fiscal year 2020, the sources of energy shown above exceed BED's annual energy requirement.

D. Other Funds' Commitments and Contingencies

Grant Programs

The City participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for, or including, the year ended June 30, 2020 have not yet been conducted. Accordingly, the City's compliance with grant application requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

E. General Commitments and Contingencies

The City has several claims for which the insurance carriers have issued a reservation of rights. The City is not able to assess the likelihood or the amount, if any, of an unfavorable outcome on these cases at this time.

Insurance Reserves

Starting fiscal year 2016, the City has a large-deductible worker's compensation plan with Travelers Indemnity Company and maintains a fund in its budget to cover claims

as they occur up to the insurance limit. Prior to fiscal year 2016, the City was self-insured for worker's compensation. Hickok & Boardman, the City's insurance agent, provides the City with data estimating reserve development of prior year claims. The City's claim reserve estimates are not created by an external actuary but are heavily based in actuarial concepts. Travelers Indemnity Company acts as the third-party administrator to process, pay, and administer the claims after which they bill the City for reimbursement. The City has an irrevocable standby letter of credit with the Travelers Indemnity Company as beneficiary in the amount of \$1,800,000 to secure the payment of claims.

The City is self-insured for health insurance. The Plan is administered by a third-party administrator that is responsible for approval, processing and payment of claims, after which they bill the City for reimbursement. The City has reinsurance for individual claims in excess of \$130,000 and for aggregate stop loss of 125% of projected claims for the 2012 policy year.

The City also self-insures for dental insurance. This plan is administered by a third-party administrator that is responsible for approval, processing and payment of claims, after which they bill the City for reimbursement. Each covered employee is guaranteed \$1,500 of paid claims per year after which the employee must pick up any excess costs.

The costs associated with these self-insurance plans are budgeted in the General Fund and allocated to other funds 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 Administration Fees Paid

At June 30, 2020, the City has recorded an estimated liability of \$1,146,164 in the General Fund, which represents the short term payable for health claims as of June 30, 2020. A long-term reserve liability of \$317,263 is included for claims incurred but not reported on the governmental statement of net position. This consists of \$305,188 for workers' compensation claims and \$12,075 for dental claims incurred on or before June 30, 2020, but not paid by the City as of that date.

Settled claims resulting from insured risks have not exceeded coverage in the past three fiscal years.

The City has elected to pay actual unemployment claims instead of enrolling in an unemployment insurance program. No liabilities have been accrued as the City is not able to make an estimate as to any future costs.

27. Deferred Compensation

The City also offers its employees two deferred compensation plans in accordance with Internal Revenue Code Section 457 through the International City/County Management Association’s (ICMA) Retirement Corporation and Nationwide Retirement Solutions. The plans permit employees to defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, or death. The City has no liability for losses under the plans, but does have the duty of due care that would be required of an ordinary prudent inventor.

28. Net Position Restatement

The beginning net position of the Discretely Presented Component Unit was restated to be \$18,902,082 as of July 1, 2019. This is an increase of \$243,749 from the prior fiscal year. Please refer to the Burlington School District Financial Statements for further information regarding the restatement.

29. Subsequent Events

Management has evaluated subsequent events through February 19, 2021, which is the date the Comprehensive Annual Financial Report was available to be issued.

Debt

Subsequent to year-end, the City issued the following debt:

<u>Description</u>	<u>Amount</u>	Approximate <u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>
Series 2020 Bond Anticipation Note (BAN)	\$ 3,000,000	0.72%	10/21/2021
Tax Anticipation Note (TAN)	\$ 20,000,000	LIBOR	6/30/2021
Grant Anticipation Note (GAN)	\$ 23,000,000	1.40%	6/30/2021

Airport

Subsequent to year end, the Airport obtained approval from the Federal Aviation Administration (FAA) for a new passenger facility charge (PFC), Application 20-07-C-00-BTV. The FAA acknowledged that the Airport would be collecting a PFC at a \$4.50 PFC level beginning August 1, 2021.

30. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued *Statement No. 84, Fiduciary Activities*, effective for the City beginning with its fiscal year ending June 30, 2021. This statement establishes guidance on how to address the categorization of fiduciary

activities for financial reporting and how fiduciary activities are to be reported and may require reclassification of certain funds.

The Governmental Accounting Standards Board (GASB) has issued *Statement No. 87, Leases*, effective for the City 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.

The City is currently evaluating the impact of the above pronouncements on its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF BURLINGTON, VERMONT
PENSION LIABILITY**

SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (GASB 68)

REQUIRED SUPPLEMENTAL INFORMATION

(Unaudited)

Burlington Employees' Retirement System (BERS)

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	100.00%	\$83,437,732	\$ 50,482,389	165.28%	70.00%
June 30, 2019	June 30, 2018	100.00%	\$75,685,982	\$ 49,012,028	154.42%	71.41%
June 30, 2018	June 30, 2017	100.00%	\$87,310,528	\$ 54,282,231	160.85%	66.77%
June 30, 2017	June 30, 2016	100.00%	\$89,153,906	\$ 48,107,717	185.32%	63.75%
June 30, 2016	June 30, 2015	100.00%	\$68,164,434	\$ 44,765,172	152.27%	70.35%
June 30, 2015	June 30, 2014	100.00%	\$53,829,773	\$ 45,788,172	117.56%	75.31%

Vermont State Teachers' Retirement System (VSTRS)

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	State of Vermont's Total Proportionate Share of the Net Pension Liability Associated with BSD	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	4.59%	-	\$71,563,284	\$ 31,498,868	-	54.96%
June 30, 2019	June 30, 2018	4.49%	-	\$67,882,065	\$ 30,377,299	-	51.84%
June 30, 2018	June 30, 2017	4.55%	-	\$67,400,147	\$ 30,079,258	-	53.98%
June 30, 2017	June 30, 2016	4.66%	-	\$60,991,444	\$ 30,171,373	-	55.31%
June 30, 2016	June 30, 2015	4.80%	-	\$56,961,562	\$ 26,774,383	-	58.22%
June 30, 2015	June 30, 2014	4.94%	-	\$47,328,006	\$ 27,991,613	-	64.02%
June 30, 2014	June 30, 2013	4.87%	-	\$49,254,692	\$ 29,978,065	-	60.59%

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
EMPLOYEES' RETIREMENT SYSTEM**

SCHEDULE OF PENSION CONTRIBUTIONS (GASB 68)

REQUIRED SUPPLEMENTAL INFORMATION

(Unaudited)

Fiscal Year	Actuarially Determined Employer Contribution	Contributions in Relation to the Actuarially Determined Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2020	\$ 9,715,893	\$ 9,715,893	\$ -	\$ 50,694,990	19.17%
June 30, 2019	\$ 9,516,913	\$ 9,516,913	\$ -	\$ 50,482,389	18.85%
June 30, 2018	\$ 9,172,822	\$ 9,172,822	\$ -	\$ 49,012,028	18.72%
June 30, 2017	\$ 9,219,098	\$ 9,219,098	\$ -	\$ 45,650,372	20.20%
June 30, 2016	\$ 9,149,159	\$ 9,149,159	\$ -	\$ 48,107,717	19.02%
June 30, 2015	\$ 8,840,768	\$ 8,840,768	\$ -	\$ 44,765,172	19.75%

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
PENSION LIABILITY
SCHEDULE OF CHANGES IN THE
EMPLOYERS' NET PENSION LIABILITY (GASB 67)
REQUIRED SUPPLEMENTAL INFORMATION

(Unaudited)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability							
Service cost	\$ 6,513,321	\$ 6,374,840	\$ 6,670,325	\$ 5,939,730	\$ 5,327,448	\$ 5,915,439	\$ 5,314,021
Interest on unfunded liability - time value of money	20,412,921	19,718,409	19,961,295	19,571,180	18,268,523	17,419,148	16,598,877
Changes of benefit terms	-	-	(138,534)	-	(414,295)	(3,167,853)	-
Differences between expected and actual experience	1,826,152	1,831,931	(1,453,843)	(4,272,574)	6,852,487	4,312,195	-
Changes of assumptions	2,153,694	2,147,915	(7,508,856)	10,370,856	-	-	-
Benefit payments, including refunds of member contributions	<u>(17,338,220)</u>	<u>(16,617,928)</u>	<u>(15,616,191)</u>	<u>(14,770,644)</u>	<u>(13,971,175)</u>	<u>(12,602,652)</u>	<u>(11,932,108)</u>
Net change in total pension liability	13,567,868	13,455,167	1,914,196	16,838,548	16,062,988	11,876,277	9,980,790
Total pension liability - beginning	<u>278,151,190</u>	<u>264,696,023</u>	<u>262,781,827</u>	<u>245,943,279</u>	<u>229,880,291</u>	<u>218,004,014</u>	<u>208,023,224</u>
Total pension liability - ending (a)	291,719,058	278,151,190	264,696,023	262,781,827	245,943,279	229,880,291	218,004,014
Plan Fiduciary Net Position							
Contributions - employer	9,715,893	9,543,529	9,172,822	9,219,098	9,149,159	8,840,768	8,920,879
Contributions - member	3,458,775	3,604,228	3,624,939	2,712,823	2,304,971	2,167,652	2,148,842
Net investment income (loss)	4,500,108	9,561,727	16,762,760	21,882,460	(2,088,531)	(557,357)	19,625,825
Benefit payments, including refunds of member contributions	<u>(17,338,220)</u>	<u>(16,617,928)</u>	<u>(15,616,191)</u>	<u>(14,770,644)</u>	<u>(13,971,175)</u>	<u>(12,602,652)</u>	<u>(11,932,108)</u>
Administrative expense	(411,925)	(338,039)	(385,309)	(361,811)	(320,908)	(306,795)	(253,796)
Other	<u>(49,929)</u>	<u>(50,100)</u>	<u>(20,278)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,927</u>
Net change in plan fiduciary net position	(125,298)	5,703,417	13,538,743	18,681,926	(4,926,484)	(2,458,384)	18,515,569
Plan fiduciary net position - beginning	<u>194,713,459</u>	<u>189,010,042</u>	<u>175,471,299</u>	<u>156,789,373</u>	<u>161,715,857</u>	<u>164,174,241</u>	<u>145,658,672</u>
Plan fiduciary net position - ending (b)	<u>194,588,161</u>	<u>194,713,459</u>	<u>189,010,042</u>	<u>175,471,299</u>	<u>156,789,373</u>	<u>161,715,857</u>	<u>164,174,241</u>
Net pension liability (asset) - ending (a-b)	<u>\$ 97,130,897</u>	<u>\$ 83,437,731</u>	<u>\$ 75,685,981</u>	<u>\$ 87,310,528</u>	<u>\$ 89,153,906</u>	<u>\$ 68,164,434</u>	<u>\$ 53,829,773</u>

Schedule of Investment Returns

Annual money weighted rate of return, net of investment expense	5.25%	5.20%	9.80%	10.25%	-1.30%	-0.15%	13.62%
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*Schedules are intended to show information for 10 years.
Additional years will be displayed as they become available.*

See notes to the Burlington's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

**CITY OF BURLINGTON, VERMONT
OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

Schedules of Changes in the Total OPEB Liability and Contributions (GASB 75)

(Unaudited)

Changes in Total OPEB Liability

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability			
Service cost	\$ 239,652	\$ 213,616	\$ 216,056
Interest on unfunded liability - time value of money	191,430	200,377	179,050
Differences between expected and actual experience	(463,076)	(227,919)	163,021
Changes of assumptions	1,524,927	207,752	(162,358)
Benefit payments, including refunds of member contributions	<u>(243,673)</u>	<u>(45,401)</u>	<u>(385,708)</u>
Net change in total OPEB liability	1,249,260	348,425	10,061
Total OPEB liability - beginning	<u>5,334,976</u>	<u>4,986,551</u>	<u>4,976,490</u>
Total OPEB liability - ending	<u>\$ 6,584,236</u>	<u>\$ 5,334,976</u>	<u>\$ 4,986,551</u>
Covered payroll	\$ 41,385,879	\$ 40,224,487	\$ 39,205,153
Total OPEB liability as a percentage of covered payroll	15.91%	13.26%	12.72%

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

See notes to the City's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

**CITY OF BURLINGTON, VERMONT
BURLINGTON SCHOOL DISTRICT
OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

Schedules of Changes in the Total OPEB Liability and Contributions (GASB 75)

(Unaudited)

Changes in Total OPEB Liability

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability			
Service cost	\$ 352,070	\$ 315,649	\$ 491,916
Interest on unfunded liability - time value of money	217,893	213,029	240,585
Changes of benefit terms	-	-	(1,128,881)
Differences between expected and actual experience	(77,737)	112,870	(653,961)
Changes of assumptions	(547,751)	164,085	191,382
Benefit payments	<u>(170,085)</u>	<u>(108,152)</u>	<u>(251,451)</u>
Net change in total OPEB liability	(225,610)	697,481	(1,110,410)
Total OPEB liability - beginning	<u>5,940,012</u>	<u>5,242,531</u>	<u>6,352,941</u>
Total OPEB liability - ending	<u>\$ 5,714,402</u>	<u>\$ 5,940,012</u>	<u>\$ 5,242,531</u>
Covered payroll	\$ 38,782,212	\$ 33,983,834	\$ 35,931,858
Total OPEB liability as a percentage of covered payroll	14.7%	17.5%	14.6%

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

See notes to the City's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

**SUPPLEMENTARY STATEMENTS
AND SCHEDULES**

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**Combining Financial Statements
and
Other Supplementary Schedules**

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for resources obtained and expended for specific purposes and restricted by law or local action.

- Traffic: The Traffic Division provides planning, engineering, operations, and maintenance of the traffic signs, markings, and signals that allow the transportation system to operate safely and efficiently for all modes of travel.
- Parking Facilities: The Parking Facilities fund is used to account for the Marketplace parking garage, College Street garage, and various public parking spaces.
- Community and Economic Development: The Community and Economic Development Office (CEDO) works with the community to foster economic vitality, preserve and enhance neighborhoods, improve the quality of life and the environment, and promote equity and opportunity for all residents of Burlington.
- Tax Increment Financing - Waterfront: The Waterfront TIF fund is utilized for enhancing public infrastructure and making the waterfront area more accessible and vibrant.
- Tax Increment Financing - Downtown: The Downtown TIF fund is utilized for enhancing public infrastructure in the Downtown District, including structured parking, utility upgrades and renovations, and streetscape improvements.
- Church Street Marketplace: Church Street Marketplace manages the public right of way for a four-block pedestrian mall and business improvement district. This includes maintenance, marketing and administrative services.
- Impact Fees: Impact fees are assessed against new development to help offset the costs of new infrastructure required by the City's growth. These funds are restricted for the use of capital improvement projects.
- Community Development Corporation (BCDC): The organization's primary purpose is to carry out the industrial and economic development within the City. As such, the purposes of the Corporation include fostering, encouraging and assisting the physical location of business enterprises in the Greater Burlington area and otherwise fulfilling the purposes of a "local development corporation".
- Telecom Sales Proceeds: The fund is used for holding proceeds of the sale for future City programs.

CAPITAL PROJECT FUNDS

Capital Project funds are established to account for resources obtained and expended for the acquisition of major capital facilities or equipment.

- Champlain Parkway: This fund is used to account for the construction of a new City street from I89 to the City's center.
- Waterfront Access: This fund is used to account for access improvements to waterfront and college streets including a new road and skate park.
- Capital Improvement Program: This fund is used to account for our capital street program. The fund utilizes dedicated tax funding to replace City street infrastructure.
- Traffic Capital: This fund is used to account for multi-year capital investment in parking infrastructure improvements.
- Wayfinding: This fund is used to account for the creation of new directional signage including gateway, downtown, parking facilities, destination, recreation, and education directional.
- FEMA: This fund is used to account for Federal Emergency Management funding for declared emergencies including the 2012 spring flooding.
- Parks: This fund is used to account for the parks department dedicated funding for parks and waterfront improvements.
- Downtown Westlake: This fund is used to account for funding for a two-story parking structure to service area hotel users.
- Great Streets: This fund is used to account for specific development improvements to the City's downtown core which includes Streetscape Upgrades to: Main Street, St. Paul Street, and the Market Street garage improvements/repairs.
- Burlington Town Center: This fund is used to account for the mall redevelopment project through a collaborative process involving City Place Burlington, Burlington residents, the Development Agreement Public Advisory Committee and the City.
- Other: This fund is used to account for Other Projects that are over \$50,000 and cross multiple fiscal years.

PERMANENT FUNDS

Permanent funds are established to account for certain assets held by the City in a fiduciary capacity as trustee.

- Cemetery: This fund is used to account for the sale of endowments and interest for maintenance of cemetery.
- Loomis Library: This fund is used to account for a bequest by Horatio G Loomis in 1902 and interest to be used by Fletcher Free Library.
- Lolita Deming Estate: This fund is used to account for a bequest from L. Deming 1972 for use by parks department for the removal and planting of trees.
- Mary E. Waddell: This fund is used to account for a bequest of M. Waddell in 1988 to be used for planting flowers in public flower beds.

- WEZF 93 FM DARE: This fund is used to account for contributions by Norman Knight Charitable Foundation to assist police department with DARE Program.

CITY OF BURLINGTON, VERMONT

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2020

	Special Revenue Funds				
	<u>Traffic</u>	<u>Parking Facilities</u>	<u>Community and Economic Development</u>	<u>TIF Waterfront</u>	<u>TIF Downtown</u>
ASSETS					
Cash and short-term investments	\$ 3,392,442	\$ 319,432	\$ 4,274,771	\$ 2,261,349	\$ 1,790,514
Investments	-	-	-	-	-
Receivables, net of allowance:					
Departmental and other	1,600	28,079	-	-	-
Intergovernmental	-	-	398,364	-	-
Loans	-	-	3,850,622	-	-
Capital lease	-	-	-	-	-
Accrued interest	-	-	1,635,145	-	-
Advances to other funds	-	-	-	-	-
Prepaid expenditures	545	-	-	-	-
Inventory	377,320	-	-	-	-
Total Assets	<u>\$ 3,771,907</u>	<u>\$ 347,511</u>	<u>\$ 10,158,902</u>	<u>\$ 2,261,349</u>	<u>\$ 1,790,514</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 49,693	\$ 23,884	\$ 168,377	\$ -	\$ -
Accrued payroll and benefits payable	20,445	24,344	54,594	-	-
Accrued liabilities	7,239	-	551	-	-
Unearned revenue	-	-	14,781	-	-
Due to other funds	-	1,832,722	-	-	-
Advances from other funds	-	-	-	-	-
Other liabilities	-	-	-	-	-
Total Liabilities	77,377	1,880,950	238,303	-	-
Deferred Inflows of Resources:					
Unavailable revenues	24,384	-	5,903,076	-	-
Fund Balances:					
Nonspendable	377,865	-	-	-	-
Restricted	-	-	4,017,523	2,261,349	1,790,514
Committed	3,292,281	-	-	-	-
Unassigned	-	(1,533,439)	-	-	-
Total Fund Balances	<u>3,670,146</u>	<u>(1,533,439)</u>	<u>4,017,523</u>	<u>2,261,349</u>	<u>1,790,514</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,771,907</u>	<u>\$ 347,511</u>	<u>\$ 10,158,902</u>	<u>\$ 2,261,349</u>	<u>\$ 1,790,514</u>

(continued)

CITY OF BURLINGTON, VERMONT

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2020

(continued)

	Special Revenue Funds				Subtotals
	Church Street <u>Marketplace</u>	Impact Fees	Community Development <u>Corporation</u>	Telecom Sales <u>Proceeds</u>	
ASSETS					
Cash and short-term investments	\$ -	\$ 1,583,964	\$ -	\$ 1,201,930	\$ 14,824,402
Investments	-	-	-	-	-
Receivables, net of allowance:					
Departmental and other	33,582	-	-	-	63,261
Intergovernmental	-	-	-	-	398,364
Loans	-	-	177,306	-	4,027,928
Capital lease	-	-	667,021	-	667,021
Accrued interest	-	-	-	-	1,635,145
Advances to other funds	-	-	-	-	-
Prepaid expenditures	-	-	-	-	545
Inventory	-	-	-	-	377,320
Total Assets	<u>\$ 33,582</u>	<u>\$ 1,583,964</u>	<u>\$ 844,327</u>	<u>\$ 1,201,930</u>	<u>\$ 21,993,986</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 2,215	\$ -	\$ -	\$ -	\$ 244,169
Accrued payroll and benefits payable	12,640	-	-	-	112,023
Accrued liabilities	1,251	-	-	-	9,041
Unearned revenue	32,461	-	-	-	47,242
Due to other funds	83,100	-	122,440	-	2,038,262
Advances from other funds	-	-	13,208	-	13,208
Other liabilities	-	-	-	-	-
Total Liabilities	131,667	-	135,648	-	2,463,945
Deferred Inflows of Resources:					
Unavailable revenues	-	-	831,120	-	6,758,580
Fund Balances:					
Nonspendable	-	-	-	-	377,865
Restricted	-	1,583,964	-	-	9,653,350
Committed	-	-	-	1,201,930	4,494,211
Unassigned	(98,085)	-	(122,441)	-	(1,753,965)
Total Fund Balances	<u>(98,085)</u>	<u>1,583,964</u>	<u>(122,441)</u>	<u>1,201,930</u>	<u>12,771,461</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 33,582</u>	<u>\$ 1,583,964</u>	<u>\$ 844,327</u>	<u>\$ 1,201,930</u>	<u>\$ 21,993,986</u>

(continued)

CITY OF BURLINGTON, VERMONT

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2020

(continued)

	Capital Project Funds					
	Champlain <u>Parkway</u>	Waterfront <u>Access</u>	Capital Improvement <u>Program</u>	Traffic <u>Capital</u>	<u>Wayfinding</u>	<u>FEMA</u>
ASSETS						
Cash and short-term investments	\$ 62,625	\$ 681,040	\$ 16,473,906	\$ 517,948	\$ -	\$ 66,988
Investments	-	-	-	-	-	-
Receivables, net of allowance:						
Departmental and other	-	-	-	-	-	-
Intergovernmental	1,006,509	-	444,210	-	49,303	-
Loans	-	-	-	-	-	-
Capital lease	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total Assets	<u>\$ 1,069,134</u>	<u>\$ 681,040</u>	<u>\$ 16,918,116</u>	<u>\$ 517,948</u>	<u>\$ 49,303</u>	<u>\$ 66,988</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 288,148	\$ -	\$ 1,045,468	\$ 20,398	\$ 15,899	\$ -
Accrued payroll and benefits payable	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	42,229	-
Advances from other funds	676,542	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities	<u>964,690</u>	<u>-</u>	<u>1,045,468</u>	<u>20,398</u>	<u>58,128</u>	<u>-</u>
Deferred Inflows of Resources:						
Unavailable revenues	780,986	-	438,510	-	49,303	-
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	-	681,040	15,434,138	497,550	-	66,988
Committed	-	-	-	-	-	-
Unassigned	(676,542)	-	-	-	(58,128)	-
Total Fund Balances	<u>(676,542)</u>	<u>681,040</u>	<u>15,434,138</u>	<u>497,550</u>	<u>(58,128)</u>	<u>66,988</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,069,134</u>	<u>\$ 681,040</u>	<u>\$ 16,918,116</u>	<u>\$ 517,948</u>	<u>\$ 49,303</u>	<u>\$ 66,988</u>

(continued)

CITY OF BURLINGTON, VERMONT

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2020

(continued)

	Capital Project Funds					Subtotals
	Parks and Other Projects	Downtown Westlake	Great Streets	Burlington Town Center	Other	
ASSETS						
Cash and short-term investments	\$ 2,871,419	\$ -	\$ -	\$ 7,229	\$ 3,548,576	\$ 24,229,731
Investments	-	-	-	-	-	-
Receivables, net of allowance:						
Departmental and other	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	1,500,022
Loans	-	-	-	-	-	-
Capital lease	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-
Advances to other funds	-	13,209	-	-	-	13,209
Prepaid expenditures	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total Assets	<u>\$ 2,871,419</u>	<u>\$ 13,209</u>	<u>\$ -</u>	<u>\$ 7,229</u>	<u>\$ 3,548,576</u>	<u>\$ 25,742,962</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 545,138	\$ -	\$ 779,924	\$ 7,229	\$ 146,981	\$ 2,849,185
Accrued payroll and benefits payable	16,684	-	-	-	-	16,684
Accrued liabilities	-	-	-	-	20,800	20,800
Unearned revenue	-	-	-	-	-	-
Due to other funds	-	13,209	202,106	-	-	257,544
Advances from other funds	-	11,132	-	16,365	-	704,039
Other liabilities	33,053	-	-	-	100,882	133,935
Total Liabilities	594,875	24,341	982,030	23,594	268,663	3,982,187
Deferred Inflows of Resources:						
Unavailable revenues	-	-	-	-	-	1,268,799
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	2,276,544	-	-	-	3,279,913	22,236,173
Committed	-	-	-	-	-	-
Unassigned	-	(11,132)	(982,030)	(16,365)	-	(1,744,197)
Total Fund Balances	<u>2,276,544</u>	<u>(11,132)</u>	<u>(982,030)</u>	<u>(16,365)</u>	<u>3,279,913</u>	<u>20,491,976</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,871,419</u>	<u>\$ 13,209</u>	<u>\$ -</u>	<u>\$ 7,229</u>	<u>\$ 3,548,576</u>	<u>\$ 25,742,962</u>

(continued)

CITY OF BURLINGTON, VERMONT

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2020

(continued)

	Permanent Funds					Subtotals	Nonmajor Governmental Funds
	Cemetery	Loomis Library	Lolita Deming Estate	Mary E. Waddell	WEZF 93 FM DARE		
ASSETS							
Cash and short-term investments	\$ 48,282	\$ 10,948	\$ 11,353	\$ 13,886	\$ 2,236	\$ 86,705	\$ 39,140,838
Investments	1,299,150	-	-	-	-	1,299,150	1,299,150
Receivables, net of allowance:							
Departmental and other	-	-	-	-	-	-	63,261
Intergovernmental	-	-	-	-	-	-	1,898,386
Loans	-	-	-	-	-	-	4,027,928
Capital lease	-	-	-	-	-	-	667,021
Accrued interest	-	-	-	-	-	-	1,635,145
Advances to other funds	-	-	-	-	-	-	13,209
Prepaid expenditures	-	-	-	-	-	-	545
Inventory	-	-	-	-	-	-	377,320
Total Assets	\$ 1,347,432	\$ 10,948	\$ 11,353	\$ 13,886	\$ 2,236	\$ 1,385,855	\$ 49,122,803
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,093,354
Accrued payroll and benefits payable	-	-	-	-	-	-	128,707
Accrued liabilities	-	-	-	-	-	-	29,841
Unearned revenue	-	-	-	-	-	-	47,242
Due to other funds	-	-	-	-	-	-	2,295,806
Advances from other funds	-	-	-	-	-	-	717,247
Other liabilities	-	-	-	-	-	-	133,935
Total Liabilities	-	-	-	-	-	-	6,446,132
Deferred Inflows of Resources:							
Unavailable revenues	-	-	-	-	-	-	8,027,379
Fund Balances:							
Nonspendable	1,248,574	10,948	2,486	-	1,000	1,263,008	1,640,873
Restricted	98,858	-	8,867	13,886	1,236	122,847	32,012,370
Committed	-	-	-	-	-	-	4,494,211
Unassigned	-	-	-	-	-	-	(3,498,162)
Total Fund Balances	1,347,432	10,948	11,353	13,886	2,236	1,385,855	34,649,292
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,347,432	\$ 10,948	\$ 11,353	\$ 13,886	\$ 2,236	\$ 1,385,855	\$ 49,122,803

CITY OF BURLINGTON, VERMONT

Combining Statement of Revenues, Expenditures
and Changes in Fund Equity

Nonmajor Governmental Funds

For the Year Ended June 30, 2020

	Special Revenue Funds				
	Traffic	Parking Facilities	Community and Economic Development	TIF Waterfront	TIF Downtown
Revenues:					
Taxes	\$ -	\$ 307,557	\$ 202,984	\$ 2,571,667	\$ 950,392
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	1,948,206	-	-
Charges for services	1,613,888	1,824,992	47,603	-	-
Contributions	-	-	7,004	-	-
Investment income	1,023	1,075	22,640	-	-
Loan repayments	-	-	89,536	-	-
Other	58,864	74,456	95,142	-	-
Total Revenues	1,673,775	2,208,080	2,413,115	2,571,667	950,392
Expenditures:					
Current:					
General government	-	-	-	-	50,000
Public safety	-	-	-	-	-
Public works	2,095,920	2,024,697	-	-	-
Culture and recreation	-	-	-	-	-
Community development	-	-	3,420,366	-	-
Capital outlay	146,620	62,811	-	-	-
Debt service:					
Principal	11,748	398,273	-	1,688,608	195,000
Interest and bond issue costs	6,174	147,516	-	387,164	224,750
Total Expenditures	2,260,462	2,633,297	3,420,366	2,075,772	469,750
Excess (deficiency) of revenues over (under) expenditures	(586,687)	(425,217)	(1,007,251)	495,895	480,642
Other Financing Sources (Uses):					
Issuance of refunding bonds	-	-	-	-	-
Issuance of bonds and loans	-	-	-	-	-
Bond discount	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Transfers in	-	-	515,986	-	-
Transfers out	-	-	(7,728)	(84,765)	(49,565)
Total Other Financing Sources (Uses)	-	-	508,258	(84,765)	(49,565)
Net change in fund balances	(586,687)	(425,217)	(498,993)	411,130	431,077
Fund Balances, beginning of year	4,256,833	(1,108,222)	4,516,516	1,850,219	1,359,437
Fund Balances, end of year	\$ 3,670,146	\$ (1,533,439)	\$ 4,017,523	\$ 2,261,349	\$ 1,790,514

(continued)

CITY OF BURLINGTON, VERMONT

Combining Statement of Revenues, Expenditures
and Changes in Fund Equity

Nonmajor Governmental Funds

For the Year Ended June 30, 2020

(continued)

	Special Revenue Funds				Subtotals
	Church Street Marketplace	Impact Fees	Community Development Corporation	Telecom Sale Proceeds	
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 4,032,600
Licenses and permits	129,841	-	-	-	129,841
Intergovernmental	60,525	-	-	-	2,008,731
Charges for services	550,244	604,444	364,000	-	5,005,171
Contributions	-	-	-	-	7,004
Investment income	124	-	17,836	25,341	68,039
Loan repayments	-	-	-	-	89,536
Other	-	-	184,136	17,711	430,309
Total Revenues	740,734	604,444	565,972	43,052	11,771,231
Expenditures:					
Current:					
General government	-	-	-	46	50,046
Public safety	-	-	-	-	-
Public works	885,908	-	-	-	5,006,525
Culture and recreation	-	-	-	-	-
Community development	-	-	28,555	-	3,448,921
Capital outlay	-	16,812	-	-	226,243
Debt service:					
Principal	-	-	474,230	-	2,767,859
Interest and bond issue costs	466	-	137,347	-	903,417
Total Expenditures	886,374	16,812	640,132	46	12,403,011
Excess (deficiency) of revenues over (under) expenditures	(145,640)	587,632	(74,160)	43,006	(631,780)
Other Financing Sources (Uses):					
Issuance of refunding bonds	-	-	-	-	-
Issuance of bonds and loans	-	-	-	-	-
Bond discount	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Transfers in	21,000	-	-	-	536,986
Transfers out	-	-	-	(5,754,103)	(5,896,161)
Total Other Financing Sources (Uses)	21,000	-	-	(5,754,103)	(5,359,175)
Net change in fund balances	(124,640)	587,632	(74,160)	(5,711,097)	(5,990,955)
Fund Balances, beginning of year	26,555	996,332	(48,281)	6,913,027	18,762,416
Fund Balances, end of year	\$ (98,085)	\$ 1,583,964	\$ (122,441)	\$ 1,201,930	\$ 12,771,461

(continued)

CITY OF BURLINGTON, VERMONT

Combining Statement of Revenues, Expenditures
and Changes in Fund Equity

Nonmajor Governmental Funds

For the Year Ended June 30, 2020

(continued)

	Capital Project Funds					
	Champlain Parkway	Waterfront Access	Capital Improvement Program	Traffic Capital	Wayfinding	FEMA
Revenues:						
Taxes	\$ -	\$ -	\$ 2,422,159	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	976,596	-	354,302	-	-	-
Charges for services	-	-	266,007	-	-	-
Contributions	-	-	-	-	-	-
Investment income	-	-	-	2,851	-	-
Loan repayments	-	-	-	-	-	-
Other	-	-	41,629	-	-	-
Total Revenues	976,596	-	3,084,097	2,851	-	-
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	1,541,038	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Capital outlay	-	824,403	8,861,522	29,847	-	-
Debt service:						
Principal	-	-	232,672	-	-	-
Interest and bond issue costs	-	-	824,274	49,298	-	-
Total Expenditures	1,541,038	824,403	9,918,468	79,145	-	-
Excess (deficiency) of revenues over (under) expenditures	(564,442)	(824,403)	(6,834,371)	(76,294)	-	-
Other Financing Sources (Uses):						
Issuance of refunding bonds	-	-	9,225,000	-	-	-
Issuance of bonds and loans	-	-	7,987,137	3,779,850	-	-
Bond discount	-	-	(34,293)	-	-	-
Payment to refunded bond escrow agent	-	-	(8,417,143)	(3,721,844)	-	-
Transfers in	-	-	1,065,175	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	9,825,876	58,006	-	-
Net change in fund balances	(564,442)	(824,403)	2,991,505	(18,288)	-	-
Fund Balances, beginning of year	(112,100)	1,505,443	12,442,633	515,838	(58,128)	66,988
Fund Balances, end of year	\$ (676,542)	\$ 681,040	\$ 15,434,138	\$ 497,550	\$ (58,128)	\$ 66,988

(continued)

CITY OF BURLINGTON, VERMONT

Combining Statement of Revenues, Expenditures
and Changes in Fund Equity

Nonmajor Governmental Funds

For the Year Ended June 30, 2020

(continued)

	Capital Project Funds					Subtotals
	<u>Parks and Other Projects</u>	<u>Downtown Westlake</u>	<u>Great Streets</u>	<u>Burlington Town Center</u>	<u>Other</u>	
Revenues:						
Taxes	\$ 729,287	\$ -	\$ -	\$ -	\$ -	\$ 3,151,446
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	1,330,898
Charges for services	-	-	-	-	-	266,007
Contributions	15,925	-	13,518	-	-	29,443
Investment income	-	-	-	-	575	3,426
Loan repayments	-	-	-	-	-	-
Other	10,110	-	-	-	-	51,739
Total Revenues	755,322	-	13,518	-	575	4,832,959
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	332,713	-	-	-	-	1,873,751
Culture and recreation	819,765	-	-	-	-	819,765
Community development	-	-	-	-	-	-
Capital outlay	1,777,395	-	4,688,905	8,835	333,347	16,524,254
Debt service:						
Principal	-	-	-	-	-	232,672
Interest and bond issue costs	-	-	-	-	-	873,572
Total Expenditures	2,929,873	-	4,688,905	8,835	333,347	20,324,014
Excess (deficiency) of revenues over (under) expenditures	(2,174,551)	-	(4,675,387)	(8,835)	(332,772)	(15,491,055)
Other Financing Sources (Uses):						
Issuance of refunding bonds	-	-	-	-	-	9,225,000
Issuance of bonds and loans	3,143,677	-	1,369,186	801,000	3,559,000	20,639,850
Bond discount	-	-	-	-	-	(34,293)
Payment to refunded bond escrow agent	-	-	-	-	-	(12,138,987)
Transfers in	187,279	-	-	-	-	1,252,454
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	3,330,956	-	1,369,186	801,000	3,559,000	18,944,024
Net change in fund balances	1,156,405	-	(3,306,201)	792,165	3,226,228	3,452,969
Fund Balances, beginning of year	1,120,139	(11,132)	2,324,171	(808,530)	53,685	17,039,007
Fund Balances, end of year	\$ 2,276,544	\$ (11,132)	\$ (982,030)	\$ (16,365)	\$ 3,279,913	\$ 20,491,976

(continued)

CITY OF BURLINGTON, VERMONT

Combining Statement of Revenues, Expenditures
and Changes in Fund Equity

Nonmajor Governmental Funds

For the Year Ended June 30, 2020

(continued)

	Permanent Funds					Subtotals	Nonmajor Governmental Funds
	Cemetery	Loomis Library	Lolita Deming Estate	Mary E. Waddell	WEZF 93 FM DARE		
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,184,046
Licenses and permits	-	-	-	-	-	-	129,841
Intergovernmental	-	-	-	-	-	-	3,339,629
Charges for services	-	-	-	-	-	-	5,271,178
Contributions	-	-	-	-	-	-	36,447
Investment income	73,850	-	45	-	-	73,895	145,360
Loan repayments	-	-	-	-	-	-	89,536
Other	2,072	-	-	-	-	2,072	484,120
Total Revenues	75,922	-	45	-	-	75,967	16,680,157
Expenditures:							
Current:							
General government	-	-	-	-	-	-	50,046
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	6,880,276
Culture and recreation	-	-	-	-	-	-	819,765
Community development	-	-	-	-	-	-	3,448,921
Capital outlay	-	-	-	-	-	-	16,750,497
Debt service:							
Principal	-	-	-	-	-	-	3,000,531
Interest and bond issue costs	-	-	-	-	-	-	1,776,989
Total Expenditures	-	-	-	-	-	-	32,727,025
Excess (deficiency) of revenues over (under) expenditures	75,922	-	45	-	-	75,967	(16,046,868)
Other Financing Sources (Uses):							
Issuance of refunding bonds	-	-	-	-	-	-	9,225,000
Issuance of bonds and loans	-	-	-	-	-	-	20,639,850
Bond discount	-	-	-	-	-	-	(34,293)
Payment to refunded bond escrow agent	-	-	-	-	-	-	(12,138,987)
Transfers in	-	-	-	-	-	-	1,789,440
Transfers out	(27,113)	-	-	-	-	(27,113)	(5,923,274)
Total Other Financing Sources (Uses)	(27,113)	-	-	-	-	(27,113)	13,557,736
Net change in fund balances	48,809	-	45	-	-	48,854	(2,489,132)
Fund Balances, beginning of year	1,298,623	10,948	11,308	13,886	2,236	1,337,001	37,138,424
Fund Balances, end of year	\$ 1,347,432	\$ 10,948	\$ 11,353	\$ 13,886	\$ 2,236	\$ 1,385,855	\$ 34,649,292

NON-MAJOR PROPRIETARY (ENTERPRISE) FUNDS

Enterprise Funds were established to account for activities that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the activity be self-supporting based on user charges.

- Wastewater: This Division of Public Works provides 3 wastewater treatment plants, 25 pump stations, and 100 miles of collection system for year-round wastewater disposal. For more details on this fund, refer to separately issued financial statements.
- Water: Delivery of potable water to residents of Burlington and wholesale to the Colchester Fire District.
- Stormwater: Stormwater addresses state and federal stormwater requirements to improve the water quality of Lake Champlain and the Winooski Rivers, as well as the streams that flow into them.

CITY OF BURLINGTON, VERMONT

NONMAJOR PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2020

	<u>Wastewater</u>	<u>Water</u>	<u>Stormwater</u>	<u>Total</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets:				
Current:				
Cash and cash equivalents	\$ 2,887,280	\$ 4,404,194	\$ 1,478,935	\$ 8,770,409
Escrows	-	466,904	-	466,904
Receivables, net of allowance for uncollectibles:				
User fees	1,685,888	1,423,903	313,381	3,423,172
Intergovernmental	511,048	-	511,048	1,022,096
Inventory	100,938	308,097	-	409,035
Prepaid expenses	1,500	1,834	-	3,334
Total current assets	<u>5,186,654</u>	<u>6,604,932</u>	<u>2,303,364</u>	<u>14,094,950</u>
Noncurrent:				
Restricted cash	1,508,583	863,887	-	2,372,470
Capital assets:				
Land and construction in progress	873,745	95,872	203,886	1,173,503
Capital assets, net of accumulated depreciation	<u>20,624,148</u>	<u>16,875,433</u>	<u>2,371,661</u>	<u>39,871,242</u>
Total noncurrent assets	<u>23,006,476</u>	<u>17,835,192</u>	<u>2,575,547</u>	<u>43,417,215</u>
TOTAL ASSETS	28,193,130	24,440,124	4,878,911	57,512,165
Deferred Outflows of Resources:				
Pension related	297,495	422,687	-	720,182
OPEB related	48,339	78,498	-	126,837
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>345,834</u>	<u>501,185</u>	<u>-</u>	<u>847,019</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 28,538,964</u>	<u>\$ 24,941,309</u>	<u>\$ 4,878,911</u>	<u>\$ 58,359,184</u>

(continued)

CITY OF BURLINGTON, VERMONT

NONMAJOR PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2020

(continued)

	<u>Wastewater</u>	<u>Water</u>	<u>Stormwater</u>	<u>Total</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
Liabilities:				
Current:				
Accounts payable	\$ 386,597	\$ 110,425	\$ 198,764	\$ 695,786
Accrued payroll	33,073	54,575	5,627	93,275
Note payable	1,161,799	-	1,161,798	2,323,597
Other current liabilities	-	28,118	2,089	30,207
Current portion of long-term liabilities:				
Bonds payable	732,281	296,074	20,311	1,048,666
State revolving loans	168,558	7,097	-	175,655
Capital leases payable	18,567	112,459	-	131,026
Compensated absences payable	10,981	19,429	-	30,410
Total current liabilities	<u>2,511,856</u>	<u>628,177</u>	<u>1,388,589</u>	<u>4,528,622</u>
Noncurrent:				
Bonds payable	9,519,653	7,410,484	277,856	17,207,993
State revolving loans	1,199,512	147,353	-	1,346,865
Net pension liability	918,549	1,072,298	-	1,990,847
Total OPEB liability	111,656	128,748	-	240,404
Capital leases payable	74,367	530,787	-	605,154
Compensated absences payable	98,832	174,859	-	273,691
Total noncurrent liabilities	<u>11,922,569</u>	<u>9,464,529</u>	<u>277,856</u>	<u>21,664,954</u>
TOTAL LIABILITIES	14,434,425	10,092,706	1,666,445	26,193,576
Deferred Inflows of Resources:				
Pension related	170,304	264,952	-	435,256
OPEB related	10,945	12,621	-	23,566
TOTAL DEFERRED INFLOWS OF RESOURCES	181,249	277,573	-	458,822
NET POSITION				
Net investment in capital assets	9,784,955	10,682,787	2,277,380	22,745,122
Restricted for:				
Debt service/renewal and replacements	-	863,887	-	863,887
Contingency reserve	1,508,583	-	-	1,508,583
Unrestricted	2,629,752	3,024,356	935,086	6,589,194
TOTAL NET POSITION	<u>13,923,290</u>	<u>14,571,030</u>	<u>3,212,466</u>	<u>31,706,786</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 28,538,964</u>	<u>\$ 24,941,309</u>	<u>\$ 4,878,911</u>	<u>\$ 58,359,184</u>

See notes to financial statements.

CITY OF BURLINGTON, VERMONT

NONMAJOR PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

FOR THE YEAR ENDED JUNE 30, 2020

	<u>Wastewater</u>	<u>Water</u>	<u>Stormwater</u>	<u>Total</u>
Operating Revenues:				
Charges for services	\$ 7,967,188	\$ 6,487,311	\$ 1,660,154	\$ 16,114,653
Miscellaneous	<u>-</u>	<u>714,776</u>	<u>-</u>	<u>714,776</u>
Total Operating Revenues	7,967,188	7,202,087	1,660,154	16,829,429
Operating Expenses:				
Personnel	1,608,800	2,988,314	148,799	4,745,913
Nonpersonnel	3,052,380	2,134,121	664,434	5,850,935
Depreciation and amortization	1,213,825	826,713	99,968	2,140,506
Payments in lieu of taxes	<u>1,136,223</u>	<u>457,193</u>	<u>23,091</u>	<u>1,616,507</u>
Total Operating Expenses	<u>7,011,228</u>	<u>6,406,341</u>	<u>936,292</u>	<u>14,353,861</u>
Operating Income	955,960	795,746	723,862	2,475,568
Nonoperating Revenues (Expenses):				
Intergovernmental	59,364	-	84,365	143,729
Investment income	29,420	46,208	16	75,644
Stormwater design	(492,692)	-	(492,692)	(985,384)
Interest expense	(448,149)	(351,290)	(6,362)	(805,801)
Other income	(644)	1,004	8,362	8,722
Amortization of bond premium	-	46,074	-	46,074
Gain on disposal of capital assets	<u>-</u>	<u>4,289</u>	<u>-</u>	<u>4,289</u>
Total Nonoperating Revenues (Expenses)	<u>(852,701)</u>	<u>(253,715)</u>	<u>(406,311)</u>	<u>(1,512,727)</u>
Income Before Transfers	103,259	542,031	317,551	962,841
Transfer out	<u>-</u>	<u>(22,175)</u>	<u>-</u>	<u>(22,175)</u>
Change in Net Position	103,259	519,856	317,551	940,666
Net Position at Beginning of Year	<u>13,820,031</u>	<u>14,051,174</u>	<u>2,894,915</u>	<u>30,766,120</u>
Net Position at End of Year	<u>\$ 13,923,290</u>	<u>\$ 14,571,030</u>	<u>\$ 3,212,466</u>	<u>\$ 31,706,786</u>

See notes to financial statements.

CITY OF BURLINGTON, VERMONT
NONMAJOR PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

	Wastewater Fund	Water Fund	Stormwater Fund	Total
Cash Flows From Operating Activities:				
Receipts from customers and users	\$ 7,714,911	\$ 6,976,560	\$ 1,684,613	\$ 16,376,084
Payments to suppliers	(3,000,610)	(2,251,945)	(591,891)	(5,844,446)
Payments for wages and benefits	(1,554,206)	(2,927,737)	(162,710)	(4,644,653)
Payments in lieu of taxes	(1,136,223)	(457,193)	(23,091)	(1,616,507)
Other revenues	(644)	1,004	8,363	8,723
Net Cash Provided by Operating Activities	2,023,228	1,340,689	915,284	4,279,201
Cash Flows From Noncapital Financing Activities:				
Intergovernmental revenues	59,364	-	84,365	143,729
Design costs financed by revolving loan	(492,692)	-	(492,692)	(985,384)
Transfer out	-	(22,175)	-	(22,175)
Net Cash Used for Noncapital Financing Activities	(433,328)	(22,175)	(408,327)	(863,830)
Cash Flows From Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(121,944)	(1,976,419)	(238,530)	(2,336,893)
Proceeds from short term state revolving loans	110,747	-	110,746	221,493
Proceeds from issuance of capital lease	-	648,866	-	648,866
Funding of the escrow from lease financing	-	(551,348)	-	(551,348)
Principal paid on:				
Revenue bonds	(732,281)	(240,000)	(19,912)	(992,193)
State revolving loans	(165,252)	(6,891)	-	(172,143)
Capital lease obligations	(17,883)	(18,706)	-	(36,589)
Interest paid on outstanding debt, including issue costs	(448,149)	(351,290)	(6,362)	(805,801)
Net Cash Used for Capital and Related Financing Activities	(1,374,762)	(2,495,788)	(154,058)	(4,024,608)
Cash Flows From Investing Activities:				
Receipt of interest & dividends	29,420	46,208	16	75,644
Net Cash Provided by Investing Activities	29,420	46,208	16	75,644
Net Increase/(Decrease) in Cash	244,558	(1,131,066)	352,915	(533,593)
Cash and cash equivalents at beginning of year	4,151,305	6,399,147	1,126,020	11,676,472
Cash and cash equivalents at end of year	\$ 4,395,863	\$ 5,268,081	\$ 1,478,935	\$ 11,142,879
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Operating Income	\$ 955,960	\$ 795,746	\$ 723,862	\$ 2,475,568
Depreciation and amortization	1,213,825	826,713	99,968	2,140,506
Other revenues	(644)	1,004	8,363	8,723
Changes in assets, liabilities, and deferred outflows/inflows				
(Increase)/Decrease in receivables	(252,275)	(213,817)	22,371	(443,721)
(Increase)/Decrease in inventory	5,814	45,837	-	51,651
(Increase)/Decrease in prepaid expenses	602	5,488	-	6,090
(Increase)/Decrease in deferred outflows	60,140	132,487	-	192,627
Increase/(Decrease) in accounts payable	45,352	(169,149)	72,542	(51,255)
Increase/(Decrease) in accrued liabilities	5,598	(3,049)	(11,822)	(9,273)
Increase/(Decrease) in net pension liability	80,108	70,997	-	151,105
Increase/(Decrease) in total OPEB liability	47,292	81,064	-	128,356
Increase/(Decrease) in compensated absences	(7,513)	50,241	-	42,728
Increase/(Decrease) in deferred inflows	(131,031)	(282,873)	-	(413,904)
Net Cash Provided by Operating Activities	\$ 2,023,228	\$ 1,340,689	\$ 915,284	\$ 4,279,201

See Notes to Financial Statements

PRIVATE PURPOSE FUNDS

Private purpose trust funds are used to account for assets held by the City of Burlington, Vermont in a trustee capacity.

- Louisa Howard: Bequest by L. Howard in 1894 with interest to be used for benefit of firemen injured in the line of duty.
- Walter Carpenter: Bequest by W. Carpenter in 1929 with interest to be used annually for a Christmas dinner for the destitute in Burlington.
- Fireman's Relief: Appropriated by the City with interest earned for benefit of firemen injured in line of duty.
- Christmas Gift: Donations during WWII for gifts to servicemen overseas.

CITY OF BURLINGTON, VERMONT
 Combining Statement of Fiduciary Net Position
 Private Purpose Trust Funds

June 30, 2020

	<u>Louisa Howard</u>	<u>Walter Carpenter</u>	<u>Fireman's Relief</u>	<u>Christmas Gift</u>	<u>Total</u>
ASSETS					
Cash and short-term investments	\$ <u>28,366</u>	\$ <u>7,579</u>	\$ <u>635</u>	\$ <u>1,636</u>	\$ <u>38,216</u>
NET POSITION					
Net position held in trust	\$ <u>28,366</u>	\$ <u>7,579</u>	\$ <u>635</u>	\$ <u>1,636</u>	\$ <u>38,216</u>

CITY OF BURLINGTON, VERMONT

Combining Statement of Changes in Fiduciary Net Position

Private Purpose Trust Funds

For the Year Ended June 30, 2020

	<u>Louisa Howard</u>	<u>Walter Carpenter</u>	<u>Fireman's Relief</u>	<u>Christmas Gift</u>	<u>Total</u>
ADDITIONS					
Investment income	\$ <u>112</u>	\$ <u>20</u>	\$ <u>3</u>	\$ <u>7</u>	\$ <u>142</u>
Total Additions	<u>112</u>	<u>20</u>	<u>3</u>	<u>7</u>	<u>142</u>
Net increase	112	20	3	7	142
NET POSITION					
Beginning of year	<u>28,254</u>	<u>7,559</u>	<u>632</u>	<u>1,629</u>	<u>38,074</u>
End of year	\$ <u><u>28,366</u></u>	\$ <u><u>7,579</u></u>	\$ <u><u>635</u></u>	\$ <u><u>1,636</u></u>	\$ <u><u>38,216</u></u>

**STATISTICAL
SECTION**



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CITY OF BURLINGTON, VERMONT

STATISTICAL SECTION

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

	<u>Page</u>
<i>Financial Trends</i> These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	160 - 164
<i>Revenue Capacity</i> These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.	165 – 168
<i>Debt Capacity</i> These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	169 - 173
<i>Demographic and Economic Information</i> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	174 - 175
<i>Operating Information</i> These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the service the government provides and the activities it performs.	176 - 178

CITY OF BURLINGTON, VERMONT
NET POSITION BY COMPONENT
LAST TEN YEARS
(accrual basis of accounting)

	2020	2019	2018	2017	2016	2015 ⁽¹⁾	2014	2013	2012	2011
Governmental Activities										
Net Investment in Capital Assets	\$ 96,007,615	\$ 97,957,996	\$ 93,012,142	\$ 98,441,690	\$ 92,236,468	\$ 82,986,888	\$ 104,389,306	\$ 101,991,786	\$ 111,373,478	\$ 140,431,453
Restricted	16,942,282	15,219,592	14,323,497	13,086,695	17,725,332	16,799,937	15,285,119	13,949,243	10,773,209	9,275,500
Unrestricted	(20,057,332)	(17,670,970)	(21,948,854)	(22,193,434)	(21,734,316)	(25,449,498)	(5,306,520)	7,927,203	2,958,684	(4,062,816)
Total Governmental Activities Net Position	92,892,565	95,506,618	85,386,785	89,334,951	88,227,484	74,337,327	114,367,905	123,868,232	125,105,371	145,644,137
Business-type Activities										
Net Investment in Capital Assets	211,158,128	206,504,803	203,832,616	188,464,010	179,096,254	172,629,734	156,804,042	149,806,307	139,041,152	134,805,081
Restricted	26,048,179	25,574,212	25,304,795	22,670,943	20,812,890	19,319,510	32,017,674	31,999,045	39,020,023	32,944,710
Unrestricted	25,842,140	25,272,176	27,453,407	29,639,505	27,982,661	22,266,988	28,692,499	12,449,872	3,526,400	4,799,188
Total Business-type Activities Net Position	263,048,447	257,351,191	256,590,818	240,774,458	227,891,805	214,216,232	217,514,215	194,255,224	181,587,575	172,548,979
Primary Government										
Net Investment in Capital Assets	307,165,743	304,462,799	296,844,758	286,905,700	271,332,722	255,616,622	261,193,348	251,798,093	250,414,630	275,236,534
Restricted	42,990,461	40,793,804	39,628,292	35,757,638	38,538,222	36,119,447	47,302,793	45,948,288	49,793,232	42,220,210
Unrestricted	5,784,808	7,601,206	5,504,553	7,446,071	6,248,345	(3,182,510)	23,385,979	20,377,075	6,485,084	736,372
Total Primary Government Net Position	\$ 355,941,012	\$ 352,857,809	\$ 341,977,603	\$ 330,109,409	\$ 316,119,289	\$ 288,553,559	\$ 331,882,120	\$ 318,123,456	\$ 306,692,946	\$ 318,193,116

Source: Each respective Comprehensive Annual Financial Report

⁽¹⁾ Net position restated due to School District adjustments.

CITY OF BURLINGTON, VERMONT
CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)

	2020	2019	2018	2017	2016	2015 ⁽¹⁾	2014	2013	2012	2011
Expenses										
Governmental Activities:										
General Government	\$ 13,761,909	\$ 14,432,574	\$ 11,768,830	\$ 12,334,976	\$ 11,353,565	\$ 12,393,196	\$ 12,702,289	\$ 14,800,538	\$ 13,479,552	\$ 13,426,363
Public Safety	34,539,638	30,902,537	31,141,584	29,094,586	23,500,758	24,915,179	22,692,852	24,499,396	22,702,099	21,931,701
Education	-	-	-	-	-	-	77,470,770	77,438,762	70,038,411	66,901,788
Public Works	15,614,059	18,170,065	20,307,873	16,128,749	15,484,410	17,038,012	14,172,277	13,051,255	13,409,033	13,101,541
Culture and Recreation	13,222,555	13,288,900	12,469,970	14,185,639	10,066,735	10,736,031	9,965,826	8,584,443	9,453,885	9,244,881
Community Development	5,790,513	4,841,160	4,138,818	4,942,418	4,895,091	4,931,161	4,068,608	8,470,457	4,743,445	5,082,322
Interest and related costs	3,186,711	3,452,278	3,031,328	2,147,709	1,782,295	1,581,846	3,087,143	2,330,680	1,541,535	2,791,517
Total Governmental Activities	86,115,385	85,087,514	82,858,403	78,834,077	67,082,854	71,595,425	144,159,765	149,175,531	135,367,960	132,480,113
Business-type Activities:										
Electric	61,751,695	65,188,585	63,111,205	63,449,764	63,912,747	62,408,788	65,061,544	58,972,894	58,154,956	56,676,147
Airport	23,077,643	23,490,832	21,861,382	20,368,534	19,753,724	20,288,983	20,772,761	20,192,615	19,983,379	16,690,935
Telecom	-	-	-	-	-	-	6,791,829	6,118,395	6,109,867	7,107,667
Wastewater	-	-	-	-	-	-	7,289,587	6,648,603	6,863,244	6,522,461
Nonmajor	16,145,046	22,087,293	22,752,348	22,126,474	20,803,532	19,931,149	8,302,064	8,048,347	7,725,191	7,452,535
Total Business-Type Activities	100,974,384	110,766,710	107,724,935	105,944,772	104,470,003	102,628,920	108,217,785	99,980,854	98,836,637	94,482,745
Total Expenses	187,089,769	195,854,224	190,583,338	184,778,849	171,552,857	174,224,345	252,377,550	249,156,385	234,204,597	226,962,858
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	5,413,493	5,783,844	4,470,554	5,204,079	5,043,853	5,289,088	4,938,750	4,372,982	4,566,523	4,629,070
Public Safety	7,875,882	6,364,052	5,899,089	5,737,200	6,997,158	5,587,200	6,526,060	5,174,000	6,298,499	5,823,531
Education	-	-	-	-	-	-	1,036,876	4,575,124	3,112,442	3,110,746
Public Works	5,062,264	8,373,019	8,830,665	8,448,998	8,898,625	7,475,742	7,766,867	7,265,536	7,019,336	6,744,645
Culture and Recreation	3,745,290	4,650,473	4,485,817	4,068,846	4,277,482	4,074,232	3,849,129	3,722,853	3,328,668	2,983,704
Community Development	491,935	313,478	393,178	315,042	221,533	714,715	250,361	214,897	131,415	158,512
Operating Grants and Contributions	3,840,247	4,989,785	4,305,455	4,110,352	4,515,575	5,922,165	84,297,547	76,620,402	77,050,104	72,053,237
Capital Grants and Contributions	2,850,272	2,792,967	2,191,005	3,232,947	4,688,216	3,112,726	2,339,931	5,193,962	3,476,470	1,524,271
Total Governmental Activities	29,279,383	33,267,618	30,575,763	31,117,464	34,642,442	32,175,868	111,005,521	107,139,756	104,983,457	97,027,716
Business-type Activities:										
Charges for Services:										
Electric	55,586,746	57,562,557	58,240,571	60,223,551	62,505,682	62,622,315	63,381,532	59,965,267	58,837,344	59,679,347
Airport	18,031,121	21,906,295	21,122,992	18,589,325	18,470,124	19,030,728	18,794,078	17,915,076	17,478,275	16,416,564
Telecom	-	-	-	-	-	-	7,246,329	6,959,342	6,701,375	7,199,476
Wastewater	-	-	-	-	-	-	7,726,659	7,751,070	7,588,128	7,176,316
Nonmajor	16,829,429	23,553,092	25,199,526	24,582,213	24,151,054	21,464,113	8,943,170	8,756,986	8,304,743	8,106,743
Operating Grants and Contributions	2,422,651	325,454	172,648	218,384	205,387	-	-	-	-	-
Capital Grants and Contributions	8,747,918	10,483,527	15,034,601	11,025,482	9,118,954	7,431,502	7,722,603	7,976,875	8,454,165	26,872,882
Total Business-type Activities	101,617,865	113,830,925	119,770,338	114,638,955	114,451,201	110,548,658	113,814,371	109,324,616	107,364,030	125,451,328
Total Program Revenues	130,897,248	147,098,543	150,346,101	145,756,419	149,093,643	142,724,526	224,819,892	216,464,372	212,347,487	222,479,044
Net (Expense)/Revenue										
Governmental Activities	(56,836,002)	(51,819,896)	(52,282,640)	(47,716,613)	(32,440,412)	(39,419,557)	(33,154,244)	(42,035,775)	(30,384,503)	(35,452,397)
Business-type Activities	643,481	3,064,215	12,045,403	8,694,183	9,981,198	7,919,738	5,596,586	9,343,762	8,527,393	30,968,583
Total Net Expense	\$ (56,192,521)	\$ (48,755,681)	\$ (40,237,237)	\$ (39,022,430)	\$ (22,459,214)	\$ (31,499,819)	\$ (27,557,658)	\$ (32,692,013)	\$ (21,857,110)	\$ (4,483,814)

(continued)

CITY OF BURLINGTON, VERMONT
 CHANGES IN NET POSITION (continued)
 LAST TEN YEARS
 (accrual basis of accounting)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Revenues										
Governmental Activities:										
Property Taxes	\$ 37,873,006	\$ 35,648,435	\$ 33,898,685	\$ 33,253,448	\$ 31,409,270	\$ 33,054,429	\$ 29,494,623	\$ 28,272,251	\$ 27,884,131	\$ 28,488,306
Gross Receipts Taxes	3,127,599	4,295,784	4,256,325	4,034,408	3,906,652	3,665,158	3,190,082	2,902,808	2,761,865	2,507,382
Local Option Sales Tax	2,500,822	2,519,691	2,537,181	2,329,007	2,239,937	2,179,587	2,125,034	2,126,646	2,157,170	1,998,462
Payments in Lieu of Taxes	5,749,014	5,726,314	5,466,512	5,248,985	5,079,036	2,395,762	2,257,824	3,534,236	3,392,592	2,116,319
Franchise Fees	2,075,759	2,137,957	2,142,580	2,161,617	2,376,990	2,128,227	2,193,447	2,157,022	2,176,076	2,047,748
Impact Fees	604,445	507,907	456,837	346,411	138,723	349,714	82,262	272,852	385,702	118,207
Interest and Penalties on Delinquent Taxes	431,415	498,980	400,071	303,370	339,034	356,550	368,602	278,419	331,971	319,667
Unrestricted Investment Earnings	911,468	723,079	334,817	249,012	193,991	100,725	634,071	52,148	27,695	714,974
Other Revenues	924,174	1,934,224	1,138,937	1,698,196	642,968	1,175,521	1,048,832	296,973	-	-
Additions to permanent funds	2,072	16,822	153	3,846	3,968	67,115	25,715	20,005	34,565	-
Special items	-	-	-	(2,154,349)	-	-	(16,936,492)	-	(29,251,302)	-
Transfers	22,175	7,930,536	-	-	-	28,921	(97,572)	(97,500)	(54,728)	4,626
Total Governmental Activities	54,221,949	61,939,729	50,632,098	47,473,951	46,330,569	45,501,709	24,386,428	39,815,860	9,845,737	38,315,691
Business-type Activities:										
Nonoperating grants	989,780	1,095,955	-	-	-	-	-	-	-	-
Unrestricted Investment Earnings	444,119	536,989	233,657	158,415	184,630	127,214	291,397	269,758	271,471	391,421
Dividends from associated companies	4,268,944	4,282,667	4,147,819	3,516,718	3,236,147	3,128,753	2,907,831	2,619,286	-	-
Other Revenues	168,958	1,444,855	109,565	513,337	273,598	429,794	(368,970)	370,226	185,004	177,868
Special items	(795,851)	(606,888)	-	-	-	-	16,936,492	-	-	6,722,163
Transfers	(22,175)	(7,930,536)	-	-	-	(28,921)	97,572	97,500	54,728	(4,626)
Total Business-type Activities	5,053,775	(1,176,958)	4,491,041	4,188,470	3,694,375	3,656,840	19,864,322	3,356,770	511,203	7,286,826
Total Primary Government	59,275,724	60,762,771	55,123,139	51,662,421	50,024,944	49,158,549	44,250,750	43,172,630	10,356,940	45,602,517
Change in Net Position										
Governmental Activities	(2,614,053)	10,119,833	(1,650,542)	(242,662)	13,890,157	6,082,152	(8,767,816)	(2,219,915)	(20,538,766)	2,863,294
Business-type Activities	5,697,256	1,887,257	16,536,444	12,882,653	13,675,573	11,576,578	25,460,908	12,700,532	9,038,596	38,255,409
Total Change in Net Position	\$ 3,083,203	\$ 12,007,090	\$ 14,885,902	\$ 12,639,991	\$ 27,565,730	\$ 17,658,730	\$ 16,693,092	\$ 10,480,617	\$ (11,500,170)	\$ 41,118,703

Source: Each respective Comprehensive Annual Financial Report

⁽¹⁾ School District was reclassified to Discretely Presented Component Unit due to change in legal entity structure.

CITY OF BURLINGTON, VERMONT
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN YEARS
 (modified accrual basis of accounting)

	2020	2019	2018	2017	2016	2015 ⁽¹⁾	2014	2013	2012	2011
All Governmental Funds										
Nonspendable	\$ 2,759,993	\$ 3,024,595	\$ 2,387,669	\$ 3,037,839	\$ 3,856,421	\$ 3,486,412	\$ 3,958,011	\$ 21,441,396	\$ 24,261,046	\$ 26,651,255
Restricted	36,941,442	33,756,452	29,439,449	18,528,173	10,330,002	9,525,627	6,424,997	7,604,997	7,740,185	5,130,240
Committed	5,070,945	4,370,914	5,796,567	5,559,637	5,915,503	4,133,553	6,831,663	3,558,828	8,769,100	2,870,793
Assigned	11,000,463	10,182,818	6,564,153	3,619,252	-	-	-	208,962	262,810	438,727
Unassigned	5,120,057	7,866,652	8,318,152	4,358,533	4,046,532	2,385,971	(2,997,049)	(9,011,184)	(20,338,070)	(24,743,477)
Total All Other Governmental Funds	<u>\$ 60,892,900</u>	<u>\$ 59,201,431</u>	<u>\$ 52,505,990</u>	<u>\$ 35,103,434</u>	<u>\$ 24,148,458</u>	<u>\$ 19,531,563</u>	<u>\$ 14,217,622</u>	<u>\$ 23,802,999</u>	<u>\$ 20,695,071</u>	<u>\$ 10,347,538</u>
General Fund										
Nonspendable	\$ 1,119,120	\$ 1,708,447	\$ 1,114,361	\$ 1,825,280	\$ 2,661,874	\$ 2,321,904	\$ 2,845,487	\$ 20,334,968	\$ 23,132,150	\$ 25,529,737
Restricted	4,929,072	207,221	568,007	560,372	38,500	17,265	17,265	17,261	3,867,936	1,794,807
Committed	576,734	467,314	577,407	1,209,754	2,779,209	1,624,950	2,058,049	1,041,535	3,345,215	2,332,434
Assigned	11,000,463	10,182,818	6,564,153	3,619,252	-	-	-	208,962	262,810	438,727
Unassigned	8,618,219	9,497,207	9,713,896	8,409,087	6,520,495	4,287,378	71,822	(2,178,623)	(14,982,331)	(16,790,895)
Total General Fund	<u>\$ 26,243,608</u>	<u>\$ 22,063,007</u>	<u>\$ 18,537,824</u>	<u>\$ 15,623,745</u>	<u>\$ 12,000,078</u>	<u>\$ 8,251,497</u>	<u>\$ 4,992,623</u>	<u>\$ 19,424,103</u>	<u>\$ 15,625,780</u>	<u>\$ 13,304,810</u>
All Other Governmental Funds										
Nonspendable	\$ 1,640,873	\$ 1,316,148	\$ 1,273,308	\$ 1,212,559	\$ 1,194,547	\$ 1,164,508	\$ 1,112,524	\$ 1,106,428	\$ 1,128,896	\$ 1,121,518
Restricted	32,012,370	33,549,231	28,871,442	17,967,801	10,291,502	9,508,362	6,407,732	7,587,736	3,872,249	3,335,433
Committed	4,494,211	3,903,600	5,219,160	4,349,883	3,136,294	2,508,603	4,773,614	2,517,293	5,423,885	538,359
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(3,498,162)	(1,630,555)	(1,395,744)	(4,050,554)	(2,473,963)	(1,901,407)	(3,068,871)	(6,832,561)	(5,355,739)	(7,952,582)
Total All Other Governmental Funds	<u>\$ 34,649,292</u>	<u>\$ 37,138,424</u>	<u>\$ 33,968,166</u>	<u>\$ 19,479,689</u>	<u>\$ 12,148,380</u>	<u>\$ 11,280,066</u>	<u>\$ 9,224,999</u>	<u>\$ 4,378,896</u>	<u>\$ 5,069,291</u>	<u>\$ (2,957,272)</u>

Source: Each respective Comprehensive Annual Financial Report

⁽¹⁾ School District was reclassified to Discretely Presented Component Unit due to change in legal entity structure.

CITY OF BURLINGTON, VERMONT
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN YEARS
 (modified accrual basis of accounting)

	2020	2019	2018	2017	2016	2015 ⁽¹⁾	2014	2013	2012	2011
Revenues										
Taxes	\$ 43,387,460	\$ 43,233,045	\$ 40,923,397	\$ 39,781,518	\$ 39,097,706	\$ 38,770,459	\$ 35,721,358	\$ 33,509,448	\$ 33,409,559	\$ 32,937,202
Payments in lieu of taxes	5,749,014	5,726,314	5,466,512	5,248,985	5,079,036	2,395,762	2,257,824	3,534,236	3,391,718	3,438,180
Licenses and permits	4,011,578	4,505,473	4,749,082	5,570,707	5,082,269	3,866,933	4,396,587	4,070,213	5,270,706	5,439,891
Intergovernmental	4,444,005	6,069,799	7,155,317	6,857,683	8,569,938	8,717,811	86,426,117	78,334,827	73,660,719	68,884,213
Charges for services	20,863,873	23,667,671	21,987,715	21,090,765	21,499,084	21,781,930	21,636,460	23,437,932	18,154,362	17,281,634
Contributions	684,238	884,119	815,074	1,373,500	538,878	-	-	-	-	-
Investment income	911,468	723,081	340,281	249,013	193,993	100,725	634,070	52,148	675,834	955,816
Fines and forfeits	-	-	-	-	-	-	-	-	1,572,016	1,609,974
Loan repayments	89,536	884,262	87,177	57,357	104,033	122,544	245,074	46,741	4,873,509	74,160
Other revenue	926,249	1,623,512	883,075	585,799	601,849	1,230,412	1,160,440	415,290	5,536,858	4,654,385
Total Revenues	81,067,421	87,317,276	82,407,630	80,815,327	80,766,786	76,986,576	152,477,930	143,400,835	146,545,281	135,275,455
Expenditures										
Current:										
General government	13,359,906	13,387,383	11,467,656	12,202,374	11,400,333	11,158,205	13,643,302	13,704,648	13,339,250	12,958,447
Public safety	30,917,348	28,614,540	27,882,465	26,493,268	25,561,099	24,668,195	22,734,841	23,507,829	21,768,729	21,075,037
Education	-	-	-	-	-	-	76,037,906	81,284,025	70,399,945	66,139,968
Public works	11,354,670	10,670,815	10,249,398	11,991,808	9,788,601	9,455,450	8,378,414	6,533,226	8,994,691	8,302,028
Culture and Recreation	11,996,243	13,319,453	12,175,770	11,241,909	12,100,903	11,624,098	10,355,792	7,348,962	8,263,436	8,148,833
Community development	4,461,396	4,465,263	3,839,541	4,636,189	4,125,042	4,081,123	3,915,514	8,463,496	4,739,169	5,078,399
Capital Outlay ⁽²⁾	16,750,497	14,710,892	20,194,752	11,062,639	13,179,734	9,483,616	7,239,386	9,121,280	8,770,755	19,799,363
Debt Service:										
Principal	6,293,729	7,026,187	4,996,847	4,545,560	4,117,610	3,373,102	4,950,428	4,729,974	3,976,551	3,766,324
Interest and bond issue costs	4,204,442	3,354,995	2,642,648	2,094,364	1,805,722	1,568,269	2,763,625	1,873,163	2,072,080	3,016,548
Total Expenditures	99,338,231	95,549,528	93,449,077	84,268,111	82,079,044	75,412,058	150,019,208	156,566,603	142,324,606	148,284,947
Excess (Deficiency) of Revenues over Expenditures	(18,270,810)	(8,232,252)	(11,041,447)	(3,452,784)	(1,312,258)	1,574,518	2,458,722	(13,165,768)	4,220,675	(13,009,492)
Other Financing Sources (Uses)										
Issuance of bonds and loans	9,225,000	6,113,659	24,739,547	10,966,360	5,062,083	5,934,807	3,989,967	14,250,000	3,560,000	12,361,991
Issuance of refunding debt	20,639,850	-	-	2,545,000	8,785,000	-	-	-	-	-
Bond premium	2,248,534	404,347	2,689,456	1,067,582	1,138,975	-	-	419,080	-	-
Bond discount	(34,293)	-	-	-	-	-	-	-	-	-
Payment to refunding escrow	(12,138,987)	-	-	(2,837,850)	(10,044,139)	-	-	-	-	-
Sale of capital assets	-	-	-	949,986	-	-	1,000,000	-	-	-
Issuance of leases	-	479,151	1,015,000	1,699,383	987,234	683,718	-	261,242	1,621,586	-
Issuance of notes	-	-	-	-	-	-	-	-	1,000,000	5,015,000
Transfers in	7,704,985	13,140,055	3,993,825	2,804,088	4,532,340	4,363,550	4,190,396	1,854,249	2,630,787	2,179,272
Transfers out	(7,682,810)	(5,209,519)	(3,993,825)	(2,804,088)	(4,532,340)	(4,334,629)	(4,287,968)	(1,951,749)	(2,685,515)	(2,174,646)
Total Other Financing Sources (Uses)	19,962,279	14,927,693	28,444,003	14,390,461	5,929,153	6,647,446	4,892,395	14,832,822	6,126,858	17,381,617
Special Items	-	-	-	-	-	-	(16,936,492)	-	-	-
Net Change in Fund Balances	\$ 1,691,469	\$ 6,695,441	\$ 17,402,556	\$ 10,937,677	\$ 4,616,895	\$ 8,221,964	\$ (9,585,375)	\$ 1,667,054	\$ 10,347,533	\$ 4,372,125
Debt Service as a Percentage of Noncapital Expenditures⁽³⁾	58.56%	63.41%	44.81%	63.11%	42.37%	57.29%	94.10%	53.93%	68.08%	33.39%

Source: Each respective Comprehensive Annual Financial Report

⁽¹⁾ School District was reclassified to Discretely Presented Component Unit due to change in legal entity structure.

⁽²⁾ Certain capital expenditures from various functions have been capitalized on the Statement of Net Position.

⁽³⁾ Capital outlay purchases from the reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities are used to calculate this ratio.

CITY OF BURLINGTON, VERMONT
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

Fiscal Year	Assessed Value	Estimated Actual Value	Total Direct Tax Rate
2020	\$ 3,866,923,799	\$ 5,171,758,458	\$ 0.8714
2019	3,837,641,750	4,770,128,090	0.8303
2018	3,821,048,690	4,607,608,267	0.7971
2017	3,787,167,109	4,474,474,608	0.7826
2016	3,736,048,309	4,267,608,304	0.7926
2015	3,646,921,910	4,137,177,436	0.7958
2014	3,617,870,130	4,019,395,477	0.7584
2013	3,587,077,000	4,056,808,890	0.7153
2012	3,563,141,000	3,957,600,400	0.7280
2011	3,530,253,980	3,907,269,536	0.7200

Source: Most recent official statement

CITY OF BURLINGTON, VERMONT
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	City of Burlington	After Act 68			
		State-wide Education Taxes		Total Taxes	
		Residential	Nonresidential	Residential	Nonresidential
2020	\$ 0.8714	\$ 1.9368	\$ 2.0528	\$ 2.8082	\$ 2.9242
2019	0.8303	1.8498	1.9765	2.6801	2.8068
2018	0.7971	1.7903	1.8624	2.5874	2.6595
2017	0.7826	1.7237	1.8161	2.5063	2.5987
2016	0.7926	1.6544	1.7535	2.4470	2.5461
2015	0.7958	1.6358	1.7187	2.4316	2.5145
2014	0.7584	1.5257	1.6055	2.2841	2.3639
2013	0.7153	1.4302	1.5684	2.1455	2.2837
2012	0.7280	1.3019	1.5441	2.0299	2.2721
2011	0.7200	1.2820	1.5390	2.0020	2.2590

Notes:

Tax rates are per \$100 of assessed value.

Source: Most recent Official Statement

CITY OF BURLINGTON, VERMONT
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed value
Bayberry LLC	\$ 30,644,500	1	0.80%	\$ 860,000		0.02%
Fortieth Burlington LLC	26,816,000	2	0.70%	16,450,000	5	0.47%
Diamondrock Burlington Owner LLC	25,933,400	3	0.68%	25,933,400	2	0.73%
UVM/Redstone Lofts LLC	25,042,600	4	0.65%	18,090,200	4	0.51%
BTC Mall Associates LLC	18,860,000	5	0.49%	30,140,600	1	0.85%
Burlington Harbor Hotel Group LLC	16,833,400	6	0.44%	15,315,900	6	0.43%
Burlington Electric Dept./CVPS	14,902,700	7	0.39%	14,902,700	7	0.42%
Antonio B Pomerleau LLC	14,649,300	8	0.38%	7,777,000	13	0.22%
Catamount/Van Ness LLC	14,533,100	9	0.38%	599,500		0.02%
Vermont Gas Systems Inc.	13,099,740	10	0.34%	7,546,000	16	0.21%
41 Cherry Street LLC	12,712,200	11	0.33%			
Vermont Electric Power	11,220,240	12	0.29%	19,496,800	3	0.55%
New Northgate Housing LLC	11,089,000	13	0.29%	11,089,000	8	0.31%
UVM/Catamount Redstone Apts LLC	10,000,000	14	0.26%	7,830,000	12	0.22%
Howard Opera House Assoc LLC	9,001,300	15	0.23%	9,001,300	10	0.26%
South Meadow LP	8,728,800	16	0.23%	9,923,300	9	0.28%
100 Bank LLC	7,882,300	17	0.21%	7,882,300	11	0.22%
Lake and College LLC	7,754,500	18	0.20%	7,754,500	14	0.22%
Investors Corporation of Vermont (30 Main St.)	7,721,200	19	0.20%	3,840,600		0.11%
Investors Corporation of Vermont (95 St. Paul St.)	7,649,000	20	0.20%	7,649,000	15	0.22%
	<u>\$ 295,073,280</u>		<u>7.69%</u>	<u>\$ 222,082,100</u>		<u>6.27%</u>

Source: Most recent Official Statement

CITY OF BURLINGTON, VERMONT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2020	\$ 110,431,040	\$ 109,137,882	98.83%	\$ -	\$ 109,137,882	98.83%
2019	104,952,969	104,053,074	99.14%	779,965	104,833,039	99.89%
2018	99,731,639	98,880,869	99.15%	816,025	99,696,894	99.97%
2017	96,064,036	95,568,777	99.48%	477,451	96,046,228	99.98%
2016	93,015,324	92,467,139	99.41%	540,372	93,007,511	99.99%
2015	89,907,261	89,275,258	99.30%	612,343	89,887,601	99.98%
2014	83,526,157	82,869,824	99.21%	643,784	83,513,608	99.98%
2013	78,862,874	78,330,310	99.32%	508,248	78,838,558	99.97%
2012	76,089,194	75,617,383	99.38%	436,498	76,053,881	99.95%
2011	74,818,352	74,276,290	99.28%	506,276	74,782,566	99.95%

Source: Most recent Official Statement for fiscal years 2010 - 2019 and Form 411 Billed Grand List and activity in the City's general ledger for fiscal year 2020.

CITY OF BURLINGTON, VERMONT
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	Total Debt*	Less: Debt Payable from Enterprise Fund Revenues	Net Governmental Debt	Population ⁽¹⁾	Debt per Capita	Assessed Value	Ratio of Debt to Assessed Value
2020	\$ 214,902,293	\$ 123,531,506	\$ 91,370,787	42,819	\$ 2,134	\$ 3,866,923,799	2.36%
2019	206,327,209	128,394,863	77,932,346	42,899	1,817	3,837,641,750	2.03%
2018	189,725,465	129,068,211	60,657,254	42,239	1,436	3,821,048,690	1.59%
2017	180,589,754	127,683,406	52,906,348	44,020	1,202	3,787,167,109	1.40%
2016	177,709,054	132,072,254	45,636,800	42,452	1,075	3,736,048,309	1.22%
2015	178,083,655	131,660,511	46,423,144	42,452	1,094	3,646,921,910	1.27%
2014	195,344,711	131,440,972	63,903,739	42,613	1,500	3,617,870,130	1.77%
2013	202,906,657	139,548,085	63,358,572	42,738	1,482	3,587,077,000	1.77%
2012	191,346,299	138,589,433	52,756,866	42,637	1,237	3,563,141,000	1.48%
2011	187,976,396	136,961,197	51,015,199	42,450	1,202	3,530,253,980	1.45%

* Does not include capital leases

Sources: Each respective Comprehensive Annual Financial Report and the United States Census Bureau (as indicated below).

⁽¹⁾ United States Census Bureau

CITY OF BURLINGTON, VERMONT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Business-type Activities				Total Debt Outstanding	Estimated Population ⁽¹⁾	Debt per Capita	Percentage of Personal Income ⁽²⁾
	Bonds Payable, Unamortized Premiums, and Unamortized Discounts	Notes	Capital Leases	Bonds Payable, Unamortized Premiums, and Unamortized Discounts	State Revolving Loans	Notes	Capital Leases				
2020	\$ 91,370,787	\$ -	\$ 1,790,582	\$ 122,008,986	\$ 1,522,520	\$ -	\$ 4,508,623	\$ 221,201,498	42,819	\$ 5,166	19.06%
2019	77,932,346	-	2,465,159	126,700,200	1,694,663	-	4,650,126	213,442,494	42,899	4,975	19.72%
2018	60,657,254	-	2,738,077	127,204,846	1,863,365	-	10,890,570	203,354,112	42,239	4,814	19.08%
2017	52,906,348	-	2,301,048	125,601,230	2,082,176	-	7,319,392	190,210,194	44,020	4,321	17.12%
2016	45,636,800	-	1,206,228	131,844,248	228,006	-	6,553,118	185,468,400	42,452	4,369	17.31%
2015	46,423,144	-	1,086,318	131,432,505	228,006	-	6,834,297	186,004,270	42,452	4,382	17.40%
2014	63,903,739	-	1,370,191	131,440,972	-	-	1,152,142	197,867,044	42,613	4,643	18.43%
2013	63,358,572	-	1,946,424	139,548,085	-	-	1,714,567	206,567,648	42,738	4,833	19.19%
2012	51,756,866	1,000,000	2,749,589	136,589,433	-	2,000,000	2,320,054	196,415,942	42,637	4,607	18.29%
2011	46,000,199	5,015,000	2,294,817	136,061,197	-	900,000	2,866,790	193,138,003	42,450	4,550	18.06%

Source: Each respective Comprehensive Annual Financial Report

⁽¹⁾ United States Census Bureau

⁽²⁾ Personal Income is disclosed in Demographic and Economic Indicators Table

CITY OF BURLINGTON, VERMONT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 JUNE 30, 2020

Jurisdiction	Net General Obligation Debt Outstanding	Percentage Applicable to the City	Amount Applicable to the City of Burlington
Direct:			
City of Burlington - Bonds	\$ 91,370,787	100.0%	\$ 91,370,787
City of Burlington - Capital Leases	1,790,582	100.0%	1,790,582
Subtotal - Direct Debt			<u>93,161,369</u>
Overlapping:			
Burlington School District			<u>42,795,000</u>
Subtotal - Overlapping Debt			<u>42,795,000</u>
Grand Total Direct and Overlapping Debt			<u><u>\$ 135,956,369</u></u>

Source: June 30, 2020 Comprehensive Annual Financial Report

CITY OF BURLINGTON, VERMONT
LEGAL DEBT MARGIN INFORMATION
JUNE 30, 2020

Grand List Valuation	\$ 38,730,872
Legal Debt Margin:	
Debt Limitation - Ten Times Last Grand List	387,308,720
Debt Applicable to Limitation	64,496,286
Legal Debt Margin	\$ 322,812,434
Debt as Percentage of Debt Limit	16.65%

LEGAL DEBT MARGIN
PRECEDING NINE YEARS

Fiscal Year	Debt Limit	Applicable Debt	Legal Debt Margin	Debt as Percentage of Debt Limit
2019	\$ 382,748,400	\$ 64,496,286	\$ 318,252,114	16.85%
2018	382,104,869	64,496,286	317,608,583	16.88%
2017	378,715,711	64,496,286	314,219,425	17.03%
2016	377,855,052	55,092,103	322,762,949	14.58%
2015	373,604,831	55,092,130	318,512,701	14.75%
2014	364,692,191	53,150,000	311,542,191	14.57%
2013	361,787,013	51,505,000	310,282,013	14.24%
2012	358,707,700	37,605,000	321,102,700	10.48%
2011	356,314,100	30,753,333	325,560,767	8.63%

Source: Most recent Official Statement

CITY OF BURLINGTON, VERMONT
 AIRPORT ENTERPRISE FUND BOND COVERAGE
 LAST TEN FISCAL YEARS
 (In Thousands)

Fiscal Year	Gross Revenues*	Operating Expenses*	Net Revenues (as defined)	PFC Revenues Available for DS	Funds Available for DS	25% PFC Revenue For DS coverage	Adjusted funds Available for DS	Debt Service	Debt Service Coverage	Adjusted Debt Service Coverage
2020	\$ 18,377	\$ 14,462	\$ 3,915	\$ 832	\$ 4,747	\$ 208	\$ 4,955	\$ 3,610	1.31	1.37
2019	18,347	13,838	4,509	981	5,490	245	5,735	3,660	1.50	1.57
2018	17,716	13,404	4,312	1,180	5,492	295	5,787	3,662	1.50	1.58
2017	16,625	12,327	4,298	1,176	5,474	294	5,768	3,650	1.50	1.58
2016	16,677	12,376	4,301	1,087	5,388	272	5,660	3,386	1.59	1.67
2015	16,933	12,347	4,586	1,284	5,870	321	6,191	3,956	1.48	1.56
2014	16,382	12,508	3,874	1,291	5,165	323	5,488	3,402	1.52	1.61
2013	15,890	11,731	4,159	1,938	6,097	485	6,582	4,268	1.43	1.54
2012	15,080	11,259	3,821	1,939	5,760	485	6,245	4,195	1.37	1.49
2011	14,203	10,659	3,544	1,938	5,482	485	5,967	4,366	1.26	1.37

*Using Operating Revenue / Expenses only, as calculated in the Airport Audit

Source: Data from each respective Annual Financial Report.

CITY OF BURLINGTON, VERMONT
 DEMOGRAPHIC AND ECONOMIC INDICATORS
 LAST TEN YEARS

Calendar Year	Population ^(1, 2)	Per Capita Income ^{(1, 2)*}	Personal Income	State-wide Per Capita Income ⁽³⁾	State-wide Median Family Income ⁽¹⁾	Unemployment Rate		Enrollment Grades 9-12 ⁽²⁾	High School Graduation Rate ⁽²⁾
						Burlington City ⁽³⁾	State-wide ⁽³⁾		
2020	42,819	\$ 27,105	\$ 1,160,608,995	\$ 53,805	\$ 60,076	8.70%	9.50%	990	74%
2019	42,899	25,231	1,082,384,669	53,523	58,214	1.90%	2.10%	1,005	84%
2018	42,239	25,234	1,065,858,926	54,173	50,324	1.30%	2.70%	1,029	89%
2017	44,020	25,234	1,110,800,680	52,225	57,513	2.10%	2.70%	1,048	91%
2016	42,452	25,234	1,071,233,768	49,984	56,154	3.10%	3.60%	1,067	88%
2015	42,452	25,188	1,069,280,976	47,214	54,447	3.20%	4.10%	1,070	96%
2014	42,613	25,188	1,073,336,244	45,483	54,267	3.50%	4.40%	1,048	87%
2013	42,738	25,188	1,076,484,744	44,545	54,168	3.80%	5.00%	1,048	83%
2012	42,637	25,188	1,073,940,756	41,572	53,422	4.30%	5.50%	1,086	85%
2011	42,450	25,188	1,069,230,600	40,134	51,841	5.00%	6.10%	1,160	86%

Sources:

⁽¹⁾ United States Census Bureau

⁽²⁾ Vermont Economic-Demographic Profile
 *Using MFRA Data

⁽³⁾ Vermont Department of Labor, Economic & Labor Market Information

CITY OF BURLINGTON, VERMONT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	Calendar Year 2020			Calendar Year 2011		
	Employees ^(1, 2)	Rank	Percentage of Total City Employment ⁽³⁾	Employees ⁽²⁾	Rank	Percentage of Total City Employment ⁽³⁾
University of Vermont Medical Center	5,591	1	13.06%	4,905	1	11.56%
University of Vermont	3,729	2	8.71%	3,625	2	8.54%
Global Foundries	2,500	3	5.84%	2,135	4	5.03%
City of Burlington and Burlington School District	2,434	4	5.68%	2,300	3	5.42%
Howard Center	1,500	5	3.50%	1,425	5	3.36%
Walmart	1,273	6	2.97%	1,154	6	2.72%
Dealer.com	1,100	7	2.57%	752	9	1.77%
People's United Bank	876	8	2.05%	825	7	1.94%
Adecco	826	9	1.93%	754	8	1.78%
Ben & Jerry's Homemade, Inc.	735	10	1.72%	741	10	1.75%
	20,564		48.03%	18,616		43.87%

Sources:

- ⁽¹⁾ Chittenden County
- ⁽²⁾ Vermont Business Magazine, Vermont Business Directory
- ⁽³⁾ Vermont Department of Labor

CITY OF BURLINGTON, VERMONT
 FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN YEARS

Full-time Equivalent Employees										
Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government:										
Mayor's Office	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00
Clerk/Treasurer's Office	18.78	18.80	20.00	20.00	26.51	21.00	19.00	20.00	20.00	20.60
Payroll	3.85	3.85	4.00	4.00	4.00	4.00	3.00	3.00	4.00	4.00
Central Computer	7.00	6.00	6.00	6.00	4.00	6.00	3.00	3.00	3.20	4.00
City Attorney's Office	8.60	9.00	8.50	8.00	8.00	8.00	7.00	7.00	7.50	7.50
Human Resources	8.00	7.00	7.00	6.00	6.00	5.50	5.50	5.50	6.00	5.00
City Assessor	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Planning and Zoning	3.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
GF-CEDO	6.97	6.03	5.34	4.68	1.70	-	-	-	-	-
Public Safety:										
Fire	83.80	85.80	84.80	81.80	80.80	79.80	79.80	79.80	79.80	79.80
Police	146.70	147.70	144.70	141.20	139.20	136.20	137.20	137.20	138.20	137.20
DPW Inspection	-	4.00	5.00	5.00	5.00	4.00	4.00	4.00	3.00	3.00
Code Enforcement	21.00	12.00	12.00	12.00	12.00	12.00	11.00	11.00	11.00	11.00
Public Works:										
Highways	44.35	41.35	42.55	43.45	43.45	42.90	42.90	43.60	42.60	41.60
Public Works Administration	6.00	6.00	5.00	4.00	4.00	4.00	6.00	6.00	6.00	6.00
Culture and Recreation	87.88	90.00	90.50	88.00	85.00	81.80	78.80	75.48	71.25	71.72
General Fund Total	453.93	452.53	450.39	439.13	434.66	420.20	412.20	410.58	406.55	405.42
Burlington Electric	118.00	118.00	129.00	129.00	131.90	125.00	128.00	125.00	123.00	125.00
Burlington Telecom	-	-	30.00	24.00	26.00	25.00	21.00	24.50	22.00	30.68
Burlington International Airport	51.80	51.40	51.00	39.50	39.00	42.00	41.00	-	-	-
Water**	30.25	24.50	24.50	-	-	-	-	-	-	-
Stormwater**	1.65	2.90	2.50	-	-	-	-	-	-	-
Wastewater**	15.25	16.25	15.65	-	-	-	-	-	-	-
Total Employees	670.88	665.58	703.04	631.63	631.56	612.20	602.20	560.08	551.55	561.10

*Data is not available at the time of publication.

** Separation FTE with carve out of fund

CITY OF BURLINGTON, VERMONT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government:										
Full-time equivalent positions filled	453.93	452.53	450.39	439.13	434.66	420.20	412.20	410.58	406.55	405.42
Tax bills mailed	10,700	10,682	10,686	10,670	10,714	10,737	10,685	10,633	11,106	11,112
Active recreation programs	311	286	290	283	285	-	-	-	-	-
Recreation participants	4,979	5,381	2,148	4,863	4,762	-	-	-	-	-
Birth certificates recorded	2,135	2,328	2,145	2,283	2,177	2,252	2,257	2,207	2,254	2,164
Marriage licenses recorded	320	377	360	375	229	401	599	366	362	449
Death certificates recorded	934	943	992	947	489	1,045	965	1,036	931	970
Dog licenses issued	828	946	1,082	1,153	1,175	1,256	1,191	1,234	1,248	1,307
Public Safety:										
Total cases	26,953	28,848	29,684	30,517	28,608	28,243	31,182	31,353	29,978	32,146
Number of traffic tickets	423	467	632	803	1,990	1,938	1,793	1,895	1,616	1,949
Number of traffic warnings	1,461	1,703	2,095	2,289	3,507	4,822	4,432	4,524	3,996	3,793
Fire incident responses	8,137	8,229	7,895	7,598	7,305	7,338	7,326	7,241	7,160	6,819
Water System:										
Average daily consumption (gallons)	3,716,000	3,640,000	3,638,333	3,703,666	3,753,328	3,976,008	3,649,433	3,953,940	4,242,691	4,228,153
Wastewater System:										
Average daily treatment (gallons)	6,235,000	6,153,000	5,288,000	4,722,000	4,917,000	5,132,000	5,692,000	5,677,000	5,736,000	7,132,000
Sludge disposed (tons)	9,093	9,928	9,467	8,651	8,633	8,583	8,402	8,287	8,322	8,873
Burlington International Airport Enplanements	519,874	693,208	623,489	597,799	595,244	600,402	617,301	605,505	652,793	643,683
Burlington Electric Department										
Sales to Customers - KWHs	315	331	330	336.2	338.2	336.2	342.8	341.4	342.5	348.6

CITY OF BURLINGTON, VERMONT
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 LAST TEN YEARS

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government:										
Number of general government buildings	3	3	3	3	3	3	3	3	3	3
Public Safety:										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of police vehicles	44	45	45	45	45	45	44	44	42	42
Number of fire stations	5	5	5	5	5	5	5	5	5	5
Number of fire vehicles	23	20	20	20	28	27	26	26	26	26
Public Works:										
Number of public works buildings	2	2	2	2	2	2	2	2	2	2
Miles of streets	95	95	95	95	95	95	95	95	95	95
Miles of sidewalks	130	130	130	130	130	127	127	127	127	127
Culture and Recreation:										
Number of culture and recreation facilities	4	6	6	6	6	5	5	5	5	5
Acres of parks	520	540	540	540	540	540	540	540	540	540
Water:										
Number of water treatment facilities	3	3	3	3	3	3	3	3	3	3
Miles of water mains	110	110	110	110	110	110	110	110	110	110
Wastewater:										
Number of wastewater facilities	3	3	3	3	3	3	3	3	3	3
Miles of sanitary sewers	89	89	89	89	89	89	89	89	89	89
Burlington International Airport:										
Number of facilities	23	23	23	23	23	23	23	23	23	23
Burlington Electric Department:										
Number of facilities	10	10	10	10	12	12	12	12	12	12