

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



FOR FISCAL YEARS ENDED

JUNE 30, 2020, AND 2019

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Independent Auditors' Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Fund, as of June 30, 2020, and 2019, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, and the Pension and OPEB schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

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

Merrimack, New Hampshire
November 25, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Overview of the Financial Statements:

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

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

Financial Highlights:

The Statement of Net Position is designed to indicate our financial position as of a specific point in time. At June 30, 2020, it shows our net position of \$13,923,290, a change of \$103,259 in comparison to the prior year. The unrestricted net position increased from the prior year by \$257,937 as further explained in the following paragraph.

The Statement of Revenues, Expenses, and Changes in Net Position summarize our operating results and reveals how much, if any, of a profit was earned for the year. Net position in fiscal year 2020 increased by \$103,259, whereby in fiscal year 2019 net position increased by \$318,512. The increases in net position are primarily due to the cessation of any "discretionary" expenses that could be reasonably postponed in responses to the COVID-19 pandemic. Operating revenues increased less than budgeted since any increases due to the approved rate increase for fiscal year 2020 was impacted by the decrease in billable usage, particularly in April and May, which was the result of the COVID-19 pandemic. Non-operating expenses increased by \$383,759 due to capital projects, primarily the design phase for a suite of Cleanwater resilience plan projects funded with the Vermont State Revolving Loan Fund.

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

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

Statements of Net Position			
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Assets:			
Current assets	\$ 5,187	\$ 4,307	\$ 4,913
Non-current assets	<u>23,005</u>	<u>24,077</u>	<u>24,966</u>
Total assets	28,192	28,384	29,879
Deferred outflows of resources	<u>346</u>	<u>406</u>	<u>389</u>
Total assets and deferred outflows of resources	<u>\$ 28,538</u>	<u>\$ 28,790</u>	<u>\$ 30,268</u>
Liabilities:			
Current liabilities	\$ 2,512	\$ 1,935	\$ 2,913
Noncurrent liabilities	<u>11,922</u>	<u>12,723</u>	<u>13,442</u>
Total liabilities	14,434	14,658	16,355
Deferred inflows of resources	181	312	411
Net position:			
Net investment in capital assets	9,785	9,961	9,107
Restricted	1,508	1,487	1,456
Unrestricted	<u>2,630</u>	<u>2,372</u>	<u>2,939</u>
Total net position	<u>13,923</u>	<u>13,820</u>	<u>13,502</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 28,538</u>	<u>\$ 28,790</u>	<u>\$ 30,268</u>

Statements of Changes in Net Position			
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating revenues	\$ 7,967	\$ 7,939	\$ 7,431
Operating expenses	<u>(7,011)</u>	<u>(7,103)</u>	<u>(7,023)</u>
Operating income	956	836	408
Nonoperating revenues (expenses)			
Other revenue	88	66	44
Other expense	<u>(941)</u>	<u>(584)</u>	<u>(803)</u>
Total nonoperating (expenses)	<u>(853)</u>	<u>(518)</u>	<u>(759)</u>
Change in net position	103	318	(351)
Beginning net position	<u>13,820</u>	<u>13,502</u>	<u>13,853</u>
Ending net position	<u>\$ 13,923</u>	<u>\$ 13,820</u>	<u>\$ 13,502</u>

Capital Assets:

Capital Assets – Net capital assets decreased by (\$1,091,881) in the current year. Significant capital asset activity in the current year consisted of the following:

- CIPP lining: \$83,983
- Depreciation: \$1,213,825

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

Long-term Debt:

Long-term Debt - At the end of the current fiscal year, total debt outstanding was \$11,620,004, a decrease of (\$897,533) from the prior year, all of which was backed by the full faith and credit of the government.

Standard and Poor's Rating Group and Moody's Investors Services, Inc. has rated, the 2014 Bonds "AA+", and "Aa2", respectively.

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

Economic Factors and Net Year's Budgets and Rates

Billable usage continues to be at risk due to the COVID pandemic as does receipt of payments, however, to date, the impact of both has not been as large as estimated. A State Grant program to assist residential and non-residential properties with arrearages was launched in the month and will assist with collection of many outstanding receivables for consumption utilized after March.

Construction for two issued construction bonds is underway, \$2.689 M for Disinfection Upgrades at Main, East and North Plants and \$425K for a SCADA/PLC upgrade at Main Plant. These projects are anticipated to be completed in FY21 with debt service commencing 1 year after the completion of construction. There are other projects currently in planning/design phases or with pending loan applications so FY21 may see the issuance of additional bonds. However, all are funded under the Clean Water State Revolving Fund loan program with delayed debt service initiation, some amount of loan forgiveness and a 2% admin fee.

REQUESTS FOR INFORMATION:

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

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

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

	2020	2019
Assets and Deferred Outflows of Resources		
Assets:		
Current:		
Cash and short-term investments	\$ 2,887,280	\$ 2,664,509
Receivables, net of allowance for uncollectibles:		
User fees	1,685,888	1,433,613
Intergovernmental	511,048	100,472
Inventory	100,938	106,752
Prepaid expenses	1,500	2,102
Total current assets	5,186,654	4,307,448
Noncurrent:		
Restricted cash	1,508,583	1,486,796
Capital assets:		
Land	873,745	859,865
Capital assets, net of accumulated depreciation	20,624,148	21,729,909
Total noncurrent assets	23,006,476	24,076,570
Total Assets	28,193,130	28,384,018
Deferred Outflows of Resources:		
Pension related:		
Changes in proportional share of contributions	126,506	212,222
Change in assumptions	46,277	57,444
Difference between expected and actual experience	15,126	18,978
Difference between projected and actual investment earnings	7,401	2,292
Deferred current year pension contributions	102,185	111,498
OPEB related:		
Difference between expected and actual experience	1,563	1,397
Change in assumptions	24,383	2,143
Change in proportional share of contributions	22,393	-
Total Deferred Outflows of Resources	345,834	405,974
Total Assets and Deferred Outflows of Resources	\$ 28,538,964	\$ 28,789,992

(continued)

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

(continued)

	<u>2020</u>	<u>2019</u>
Liabilities, Deferred Inflows of Resources, and Net Position		
Liabilities:		
Current:		
Accounts payable	\$ 386,597	\$ 341,245
Accrued payroll	33,073	27,475
Notes payable	1,161,799	640,476
Current portion of long-term liabilities:		
Revenue bonds payable	732,281	732,281
State revolving loans	168,558	165,252
Capital lease payable	18,567	17,883
Compensated absences	<u>10,981</u>	<u>10,641</u>
Total current liabilities	2,511,856	1,935,253
Noncurrent:		
Revenue bonds payable net of current portion	9,519,653	10,251,934
State revolving loans, net of current portion	1,199,512	1,368,070
Capital lease payable, net of current portion	74,367	92,934
Net pension liability	918,549	838,441
Total OPEB liability	111,656	64,364
Compensated absences	<u>98,832</u>	<u>106,685</u>
Total noncurrent liabilities	<u>11,922,569</u>	<u>12,722,428</u>
Total Liabilities	14,434,425	14,657,681
Deferred Inflows of Resources:		
Pension related:		
Difference between expected and actual experience	19,761	35,745
Change in assumptions	41,332	62,387
Change in proportional share of contributions	109,211	210,406
OPEB related:		
Difference between expected and actual experience	9,389	2,351
Change in assumptions	<u>1,556</u>	<u>1,391</u>
Total Deferred Inflows of Resources	181,249	312,280
Net Position:		
Net investment in capital assets	9,784,955	9,961,420
Restricted for bond resolution	1,508,583	1,486,796
Unrestricted	<u>2,629,752</u>	<u>2,371,815</u>
Total Net Position	<u>13,923,290</u>	<u>13,820,031</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 28,538,964</u>	<u>\$ 28,789,992</u>

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

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

	2020	2019
Operating Revenues:		
Charges for services	\$ 7,967,188	\$ 7,939,307
Total Operating Revenues	7,967,188	7,939,307
Operating Expenses:		
Personnel	1,608,800	1,774,402
Non-personnel	3,052,380	2,933,851
Depreciation	1,213,825	1,294,408
Payments in lieu of taxes	1,136,223	1,100,743
Total Operating Expenses	7,011,228	7,103,404
Operating Income	955,960	835,903
Nonoperating Revenues/(Expenses):		
Intergovernmental	59,364	-
Interest income	29,420	40,335
Other income /(expense)	(644)	25,400
Cleanwater project design	(492,692)	(116,554)
Interest expense	(448,149)	(466,572)
Total Nonoperating Revenues/(Expenses)	(852,701)	(517,391)
Change in Net Position	103,259	318,512
Net Position at Beginning of Year	13,820,031	13,501,519
Net Position at End of Year	\$ 13,923,290	\$ 13,820,031

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

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

	2020	2019
Cash flows from operating activities:		
Receipts from users and customers	\$ 7,714,911	\$ 7,882,596
Payments to suppliers	(3,000,610)	(2,918,266)
Payments for wages and benefits	(1,554,206)	(1,692,190)
Payment in lieu of taxes	(1,136,223)	(1,100,743)
Other revenues	(644)	25,400
Net cash provided by operating activities	2,023,228	2,196,797
Cash flows from noncapital financing activities:		
Intergovernmental revenues	59,364	-
Stormwater design costs financed by revolving loan	(492,692)	(116,554)
Refunds to customers	-	(1,096,494)
Net cash used by noncapital financing activities	(433,328)	(1,213,048)
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(121,944)	(374,344)
Proceeds of short term state revolving loans	110,747	334,354
Principal payments on revenue bonds	(732,281)	(732,281)
Principal payments on state revolving loans	(165,252)	(162,012)
Principal paid on capital leases	(17,883)	(17,224)
Interest paid on outstanding debt	(448,149)	(466,572)
Net cash used by capital and related financing activities	(1,374,762)	(1,418,079)
Cash flows from investing activities:		
Investment income	29,420	40,335
Net cash provided by investing activities	29,420	40,335
Net change in cash	244,558	(393,995)
Cash and cash equivalents, beginning of year	4,151,305	4,545,300
Cash and cash equivalents, end of year	\$ 4,395,863	\$ 4,151,305
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 955,960	\$ 835,903
Adjustments to reconcile operating income to net cash provided from operating activities:		
Depreciation	1,213,825	1,294,408
Other (revenues) / expenses	(644)	25,400
Changes in assets, liabilities, and deferred outflows/inflows:		
Accounts receivable	(252,275)	(56,711)
Inventories	5,814	3,372
Prepaid expense	602	374
Deferred outflows related to pensions	104,939	(109,539)
Deferred outflows related to OPEB	(44,799)	(1,858)
Accounts payable	45,352	11,839
Accrued salaries and wages	5,598	1,511
Net pension liability	80,108	173,772
Total OPEB liability	47,292	4,203
Accrued compensated absences	(7,513)	19,406
Deferred inflows related to pensions	(138,234)	(9,025)
Deferred inflows related to OPEB	7,203	3,742
Net cash provided by operating activities	\$ 2,023,228	\$ 2,196,797

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

CITY OF BURLINGTON, VERMONT
WASTEWATER ENTERPRISE FUND

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Reporting Entity

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

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

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

B. Basis of Presentation

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

C. Measurement Focus

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

D. Basis of Accounting

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

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

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

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

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

E. Estimates

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

F. Cash and Short-term Investments

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

G. Receivables

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

H. Inventories

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

I. Capital Assets

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

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

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

The depreciable lives of capital assets are as follows:

	<u>Depreciable Lives</u>
Land improvements	30 Years
Buildings and improvements	25 - 150 Years
Infrastructure	10 - 40 Years
Machinery, equipment, and vehicles	5 - 15 Years

J. Long-Term Obligations

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

2. CASH AND SHORT-TERM INVESTMENTS

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

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

3. USER FEES RECEIVABLE

Receivables at June 30 consisted of the following:

	<u>2020</u>	<u>2019</u>
Billed user fees	\$ 1,053,504	\$ 899,394
Unbilled at year end	635,384	537,219
Less: allowance for doubtful accounts	<u>(3,000)</u>	<u>(3,000)</u>
Net user fees receivable	<u>\$ 1,685,888</u>	<u>\$ 1,433,613</u>

4. INTERGOVERNMENTAL

The June 30, 2020 and June 30, 2019 balances represent reimbursements requested from Federal and State agencies for expenses incurred in fiscal 2020 and fiscal 2019, respectively.

5. INVENTORY

Inventory at June 30 consisted of the following:

	<u>2020</u>	<u>2019</u>
Fuel stock	\$ 13,409	\$ 14,246
Chemicals	40,482	40,835
Miscellaneous	<u>47,047</u>	<u>51,671</u>
Total	<u>\$ 100,938</u>	<u>\$ 106,752</u>

7. DEFERRED OUTFLOWS OF RESOURCES

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

8. CAPITAL LEASE OBLIGATIONS

In 2018, the Fund entered into a lease agreement as the lessee for the purpose of financing the acquisition of a Wastewater pump truck. This lease agreement qualifies as a capital lease obligation for accounting purposes (even though the agreement includes a clause that allows 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.

The Fund had the following lease outstanding at June 30:

	<u>2020</u>	<u>2019</u>
Capital lease for a 2018 International Wastewater pump truck. The lease payments are made monthly for a total of \$21,744 annually including interest at 3.76% annually, maturing on February 20, 2025.	\$ <u>101,471</u>	\$ <u>123,213</u>
Total lease payments	101,471	123,213
Less: amount that represents interest	<u>(8,537)</u>	<u>(12,396)</u>
Total lease obligation	92,934	110,817
Less: amount due within one year	<u>(18,567)</u>	<u>(17,883)</u>
Capital lease obligation, net of current portion	\$ <u><u>74,367</u></u>	\$ <u><u>92,934</u></u>

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

	<u>2020</u>	<u>2019</u>
Machinery, vehicles and equipment \$	156,140	\$ 156,140
Less: accumulated depreciation	<u>(26,023)</u>	<u>(15,614)</u>
Equipment under capital leases, net \$	<u><u>130,117</u></u>	<u><u>140,526</u></u>

9. NOTES PAYABLE

The Fund had State Revolving Loans from the State of Vermont EPA Clean Water State Revolving Fund outstanding at year-end. The notes will be permanently financed upon completion.

Notes payable activity for the years ended June 30 consisted of the following:

<u>Description</u>	Series		<u>Amount Issued</u>				<u>Balance at 6/30/20</u>
	<u>Maturities Through</u>	<u>Interest Rate</u>		<u>Balance at 7/1/19</u>	<u>Additions</u>	<u>Repayments</u>	
SRL RF1-187-1	8/1/2035	0.00%	\$ 997,204	\$ 419,980	\$ 37,309	\$ -	\$ 457,289
SRL RF1-196-1	8/1/2036	0.00%	60,000	220,496	-	-	220,496
SRL RF1-196-1.1	8/1/2038	0.00%	1,138,020	-	180,245	-	180,245
SRL RF1-246-2	8/1/2033	0.00%	195,000	-	94,556	-	94,556
SRL RF1-247-1	8/1/2028	0.00%	463,000	-	108,658	-	108,658
SRL RF1-248-2	4/1/2034	0.00%	170,704	-	77,475	-	77,475
SRL RF1-254-1	1/1/2034	0.00%	224,120	-	23,080	-	23,080
				<u>\$ 640,476</u>	<u>\$ 521,323</u>	<u>\$ -</u>	<u>\$ 1,161,799</u>

<u>Description</u>			<u>Amount Issued</u>				<u>Balance at 6/30/19</u>
	<u>Maturities Through</u>	<u>Interest Rate</u>		<u>Balance at 7/1/18</u>	<u>Additions</u>	<u>Repayments</u>	
SRL RF1-187-1	8/1/2035	0.00%	\$ 997,204	\$ 345,551	\$ 74,429	\$ -	\$ 419,980
SRL RF1-196-1	8/1/2036	0.00%	60,000	194,953	25,543	-	220,496
				<u>\$ 540,504</u>	<u>\$ 99,972</u>	<u>\$ -</u>	<u>\$ 640,476</u>

10. LONG-TERM DEBT

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

Loans Payable (Direct borrowing) - The Fund has special revolving loans payable with the State of Vermont.

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

<u>Description</u>	<u>Original Issue Amount</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s)</u>	<u>Amount Outstanding as of 6/30/20</u>
State of VT-EPA '06 Series 1 (Siphon)	\$ 1,650,000	2/1/2027	0.00%	\$ 607,862
State of VT-EPA '09 Series I (Turbo)	120,000	10/1/2031	0.00%	36,757
State of VT-EPA '01 Series 1 (Digester)	2,500,000	8/1/2027	0.00%	723,451
VT Municipal Bond Bank '14 Series 1	14,645,620	11/15/2033	0.643-4.723%	10,251,934
Total				<u>\$ 11,620,004</u>

<u>Description</u>	<u>Original Issue Amount</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s)</u>	<u>Amount Outstanding as of 6/30/19</u>
State of VT-EPA '06 Series 1 (Siphon)	\$ 1,650,000	2/1/2027	0.00%	\$ 688,023
State of VT-EPA '09 Series I (Turbo)	120,000	10/1/2031	0.00%	39,211
State of VT-EPA '01 Series 1 (Digester)	2,500,000	8/1/2027	0.00%	806,087
VT Municipal Bond Bank '14 Series 1	14,645,620	11/15/2033	0.643-4.723%	10,984,216
Total				<u>\$ 12,517,537</u>

Maturities are as follows:

Fiscal Year	Direct Borrowing		Direct Placement		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 168,558	\$ -	\$ 732,281	\$ 390,948	\$ 900,839	\$ 390,948
2022	171,929	-	732,281	369,440	904,210	369,440
2023	175,367	-	732,281	345,881	907,648	345,881
2024	178,894	-	732,281	320,766	911,175	320,766
2025	182,452	-	732,281	294,273	914,733	294,273
2026 - 2030	481,529	-	3,661,405	1,037,450	4,142,934	1,037,450
2031 - 2033	9,341	-	2,929,124	259,646	2,938,465	259,646
	<u>\$ 1,368,070</u>	<u>\$ -</u>	<u>\$ 10,251,934</u>	<u>\$ 3,018,404</u>	<u>\$ 11,620,004</u>	<u>\$ 3,018,404</u>

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

	2020						
	Total				Total	Less	Equals
	Balance	Additions	Reductions	Balance	Current	Long-Term	
	<u>7/1/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>6/30/2020</u>	<u>Portion</u>	<u>Portion</u>	
Direct borrowing revenue bonds	\$ 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	
Capital leases	110,817	-	(17,883)	92,934	(18,567)	74,367	
Net pension liability	838,441	80,108	-	918,549	-	918,549	
Total OPEB liability	64,364	47,292	-	111,656	-	111,656	
Compensated absences	117,326	103,978	(111,491)	109,813	(10,981)	98,832	
Total	<u>\$ 13,648,485</u>	<u>\$ 231,378</u>	<u>\$ (1,026,907)</u>	<u>\$ 12,852,956</u>	<u>\$ (930,387)</u>	<u>\$ 11,922,569</u>	

	2019						
	Total				Total	Less	Equals
	Balance	Additions	Reductions	Balance	Current	Long-Term	
	<u>7/1/2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>6/30/2019</u>	<u>Portion</u>	<u>Portion</u>	
Direct borrowing revenue bonds	\$ 11,716,496	\$ -	\$ (732,281)	\$ 10,984,215	\$ (732,281)	\$ 10,251,934	
Direct placement state revolving loans	1,695,334	-	(162,012)	1,533,322	(165,252)	1,368,070	
Capital leases	128,041	-	(17,224)	110,817	(17,883)	92,934	
Net pension liability	664,669	173,772	-	838,441	-	838,441	
Total OPEB liability	60,161	4,203	-	64,364	-	64,364	
Compensated absences	97,920	62,577	(43,171)	117,326	(10,641)	106,685	
Total	<u>\$ 14,362,621</u>	<u>\$ 240,552</u>	<u>\$ (954,688)</u>	<u>\$ 13,648,485</u>	<u>\$ (926,057)</u>	<u>\$ 12,722,428</u>	

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

11. RESTRICTED NET POSITION

The Fund established a contingency reserve fund for the Series 2014 bonds pursuant to the General Bond Resolution adopted December 9, 2013. For the years ended June 30, 2020 and 2019, restricted net position was \$1,508,583 and \$1,486,796, respectively.

12. RETIREMENT BENEFITS AND RESULTING NET PENSION LIABILITY

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

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

At June 30, 2020, the Fund reported a net pension liability for its proportionate share of the City's net pension liability per GASB 68. The net pension liability was measured as of June 30, 2019. At June 30, 2020 and 2019, the Fund's portion was 1.10% and 1.11%, respectively. For more information on the City's plan, see the City of Burlington, VT Comprehensive Annual Financial Report.

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

Contributions: The Fund contributed \$104,770 and \$111,498, for the fiscal years ended June 30, 2020 and 2019, respectively. Beginning in FY19, the City is using the direct rate smoothing method for funding. The Fund's contributions were based on full time equivalents and wages. Employer and employee contribution rates are governed by the respective collective bargaining agreements. The employer and plan members share the cost of benefits. The plan members contribute 5.51% of the employee's base pay.

Summary of Significant Accounting Policies: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan was used as reported on the City of Burlington, VT Financial Statements. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

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

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

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

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

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

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

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

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

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

Fund's net pension liability as of:	1% Decrease	Current Discount Rate	1% Increase
June 30, 2020	\$ 642,978	\$ 918,549	\$ 642,978
June 30, 2019	\$ 1,152,868	\$ 838,441	\$ 567,664

Deferred Outflows and Inflows of Resources: The Fund recognized pension expense of \$163,100 and \$159,469 for the fiscal years ending June 30, 2020 and 2019, respectively. Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized in pension expense for of subsequent fiscal year. Other amounts reported as deferred outflows and (inflows) of resources related to pension are recognized in pension expense in future fiscal years as follows:

Amortization year:	As of June 30, 2020	As of June 30, 2019
2020	\$ -	\$ 26,034
2021	(26,085)	(45,571)
2022	29,496	9,698
2023	11,749	(7,763)
2024	9,846	-
	<u>\$ 25,006</u>	<u>\$ (17,602)</u>

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

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

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

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, replaces the requirements of *Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred (inflows) of resources, and expenses. This Statement identifies the methods

and assumptions that are required to be used to project benefit payments, discounted projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

General Information about the OPEB Plan

Plan Description

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

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

Benefits Provided

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

Funding Policy

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

Contributions

Employer and employee contribution rates are governed by the respective collective bargaining agreements. The OPEB plan is currently funded on a pay-as-you-go basis. The employer and plan members share the cost of benefits. The plan members contribute 5.20% of the monthly premium cost, depending on the plan in which they are enrolled. The Fund contributes the balance of the premium costs.

Actuarial Assumptions and Other Inputs

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

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

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

Discount Rate

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

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

Total OPEB Liability

The Fund's total year-end OPEB liabilities were \$111,656 and \$64,364 as of June 30, 2020 and June 30, 2019, respectively. The OPEB liabilities as of June 30, 2020 and June 30, 2019 were determined by an actuarial valuation as of July 1, 2019 and June 30, 2017, respectively.

Changes in the Total OPEB Liability

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

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

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

	<u>1% Decrease in Discount</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
2020 Total OPEB liability	\$127,735	\$111,656	\$98,382
2019 Total OPEB liability	\$72,259	\$64,364	\$57,778

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

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

	<u>1% Decrease in Discount</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
2020 Total OPEB liability	\$127,735	\$111,656	\$98,382
2019 Total OPEB liability	\$72,259	\$64,364	\$57,778

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

For the years ended June 30, 2020 and 2019, the Fund recognized an OPEB expense of \$10,033 and \$4,961, respectively. The remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense over the next 6 years.

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

14. DEFERRED COMPENSATION PLAN

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

15. RELATED PARTY TRANSACTIONS

During the year departments of the City bill the Fund pursuant to City ordinances and for services received. Related party transaction for the year ended June 30 was as follows:

<u>Entity Paid by Wastewater</u>	<u>Description of Service</u>	<u>2020</u>	<u>2019</u>
General Fund:			
Public Work's Department	Administrative costs for wastewater division operations	\$ 69,175	\$ 68,601
Public Work's Department	Facility charges	8,800	8,800
Public Work's Department	Equipment maintenance	63,986	48,440
Public Work's Department	Excavation fees	26,000	26,000
Public Work's Department	Street services	155,472	104,013
Clerk/Treasurer's Office	Payment in lieu of taxes (PILOT) ⁽¹⁾	1,136,223	1,100,743
Clerk/Treasurer's Office	Administration and risk management fees, approved via budget process	167,104	167,329
City Attorney	Legal fees	18,491	19,176
Water	Billing services	184,242	199,220
Stormwater	Stormwater usage	9,995	9,991
Telecom	Data, internet, phone usage	67,560	69,773
Burlington Electric Department	Electricity usage	445,116	490,429
Total related party transactions		<u>\$ 2,352,164</u>	<u>\$ 2,312,515</u>

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

16. COMMITMENTS AND CONTINGENCIES

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

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

17. RISK MANAGEMENT

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

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

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

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

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

The City has elected to pay actual unemployment claims instead of enrolling in an unemployment insurance program. The Fund did not pay any unemployment claims during fiscal year 2020 or 2019.

18. SUBSEQUENT EVENTS

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

19. NEW ACCOUNTING PRONOUNCEMENTS

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

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

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

(Unaudited)

Burlington Employees' Retirement System						
Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2020	June 30, 2019	1.10%	\$918,549	\$955,901	96.09%	70.00%
June 30, 2019	June 30, 2018	1.11%	\$838,441	\$880,025	95.27%	71.41%
June 30, 2018	June 30, 2017	0.76%	\$664,669	\$854,549	77.78%	66.77%
June 30, 2017	June 30, 2016	1.41%	\$1,256,143	\$863,280	145.51%	63.75%
June 30, 2016	June 30, 2015	1.26%	\$856,352	\$859,294	99.66%	70.35%
June 30, 2015	June 30, 2014	0.99%	\$532,524	\$859,294	61.97%	75.00%

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

See Independent Auditors' Report.

**CITY OF BURLINGTON, VERMONT
BURLINGTON WASTEWATER**

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

(Unaudited)

Burlington Employees' Retirement System

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2020	\$ 104,770	\$ 104,770	\$ -	\$ 825,508	12.69%
June 30, 2019	\$ 111,498	\$ 111,498	\$ -	\$ 955,901	11.66%
June 30, 2018	\$ 98,654	\$ 98,654	\$ -	\$ 880,025	11.21%
June 30, 2017	\$ 128,908	\$ 128,908	\$ -	\$ 854,549	15.08%
June 30, 2016	\$ 111,067	\$ 111,067	\$ -	\$ 863,280	12.87%
June 30, 2015	\$ 88,252	\$ 88,252	\$ -	\$ 859,294	10.27%

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

See Independent Auditors' Report.

**CITY OF BURLINGTON, VERMONT
BURLINGTON WASTEWATER**

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

(Unaudited)

City OPEB plan					
Fiscal Year	Measurement Date	Proportion of the Total OPEB Liability	Proportionate Share of the Total OPEB Liability	Covered Payroll	Total OPEB Liability as a Percentage of
June 30, 2020	June 30, 2020	1.6958%	\$ 111,656	\$ 714,010	15.64%
June 30, 2019	June 30, 2019	1.2065%	\$ 98,832	\$ 696,282	14.19%
June 30, 2018	June 30, 2018	1.2065%	\$ 64,364	\$ 678,637	9.48%

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

See Independent Auditors' Report.