

CITY OF BURLINGTON, VERMONT ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR FISCAL YEAR ENDED
JUNE 30, 2023

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CITY OF BURLINGTON, VERMONT
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023



Prepared by:
The Clerk Treasurer Office

Katherine Schad
Chief Administrative Officer

Ann Barton
Comptroller

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CITY OF BURLINGTON, VERMONT

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INTRODUCTORY SECTION



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OFFICE OF THE CLERK/TREASURER City of Burlington

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February 29, 2024

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 Annual Comprehensive Financial Report of the City of Burlington for the Fiscal Year ended June 30, 2023, 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 2023 represents the seventh year that the City of Burlington has compiled an Annual Comprehensive Financial Report (ACFR). 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 Annual Comprehensive Financial Report for the fiscal year ending June 30, 2021. The City did not submit the ACFR to GFOA for the fiscal year ending June 30, 2022. 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 ACFR 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 Marcum LLP. The independent auditors' report is located before 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 auditors' reports on the internal control structure and compliance with applicable laws and regulations, is not included in this year's ACFR, 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

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 Patrick Leahy Burlington International Airport (the 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, Denver, Dallas, Detroit, Minneapolis and Saint Paul. Passengers can reach nearly any destination world-wide with just one connection from Burlington.

Beginning in 2022, Amtrak train service came back to Burlington with daily bus service connecting the area to New York City with daily operations. The service is off to a strong start in the first six months of operation.

Bus service is provided by Greyhound Lines, Megabus, and Vermont Translines (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.

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.

Employee Relations

As of June 30, 2023, the City of Burlington employed approximately 597 full time employees, excluding school employees, and including 118 Burlington Electric Department employees. The City does not anticipate a significant change in staffing in the foreseeable future and believes its relations with its employees are generally good. All public employees except most supervisors, confidential employees, and certain school district employees in the State of Vermont have the right to organize and the right to bargain collectively with their public employers on matters of wages, terms and other conditions of employment other than managerial policy. The City has four separate labor associations: American Federation of State, County, & Municipal Employees, AFL-

CIO, Council 93, Local 1343 (AFSCME), noting that the school district negotiates separately for the school AFSCME employees; the International Brotherhood of Electrical Workers, AFL-CIO Local 300 (IBEW); the Burlington Police Officers' Association (BPOA); and the Burlington Firefighters Association, International Association of Fire Fighters Local 3044 (BFA). All four contracts were renegotiated in 2022 and the AFSCME and IBEW contracts are in effect for the period of July 1, 2022 to June 30, 2026. The BPOA and BFFA contracts expire on June 30, 2025, and their terms continue until a successor contract is in place. The City's school system has additional labor associations and the City's schools are currently negotiating a teachers' contract.

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 major enterprise funds: (1) electric, (2) airport facilities and (3) wastewater.

Budget Process and Other Financial Policies Affecting Current Year

The budget process in the City of Burlington normally commences with a request by the Mayor that all Departments submit, in writing, a detailed estimate of the appropriations required for the efficient and proper conduct of their respective Departments during the next fiscal year. On or before the fifteenth day of June, the Mayor must submit to the City Council a copy of the Budget for the ensuing fiscal year, which contains a clear general summary of its contents, and in detail, all estimated income, the proposed property tax levy and all proposed expenditures, including debt service.

The City Council shall adopt the budget by resolution no later than June 30 of each year. The Council may reduce the submitted appropriations by a majority vote, but may not increase the appropriations without an approving two-thirds vote of the Council. The City has never failed to adopt a budget. The legal level of control is at the department level.

The City has a comprehensive list of financial policies. For General Fund unassigned fund balance, the targeted balance is 10% percent of operating expenditures.

The City implemented two new Governmental Accounting Standards Board (GASB) Statement Number 94, *Public-Private and Public-Public Partnerships* and GASB Statement Number 96, *Subscription-Based IT Arrangements*, in the current fiscal year, which did not result in any significant changes to our financial statements.

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 1.7% in July 2023. The State's unemployment rate was 1.8% as of July 2023.

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

Over the past 10-years, through December 2023, the median sales price of single-family homes in Burlington has increased 93% to \$525,000 in 2023. Market appreciation in the past 2-years (15% in 2021 and 17% in 2022) is significantly above the 10-year average of 5%. Burlington contains approximately 6,909 owner-occupied housing units, accounting for 16% of Chittenden County's 43,498 owner-occupied units. The number of single-family primary residences sold in Burlington ranged between 219 and 285 over the past 10 years. The 10-year average number of sales is 250. The average number of sales in 2021 was 259.

The rental housing market in Burlington remains very strong, though low vacancy rates pose a challenge for prospective renters. A new report from HelpAdvisor.com found that in Vermont, only 2.4% of all rental units are vacant as of Q2 of 2022, which is the second lowest percentage out of any state and down from 4.5% in 2015. 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.

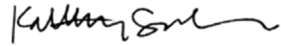
According to numerous sources, including SoFi, Vermont, tied with South Dakota, had the lowest foreclosure rate in the nation during the first half of 2022. Only 0.01% (one-hundredth of 1 percent) of homes in Vermont and South Dakota have undergone a foreclosure filing during the first half of 2022. This represents a total of 44 homes in Vermont.

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 and City Council and the hard work and dedication of the Clerk/Treasurer's team.

Respectfully submitted,

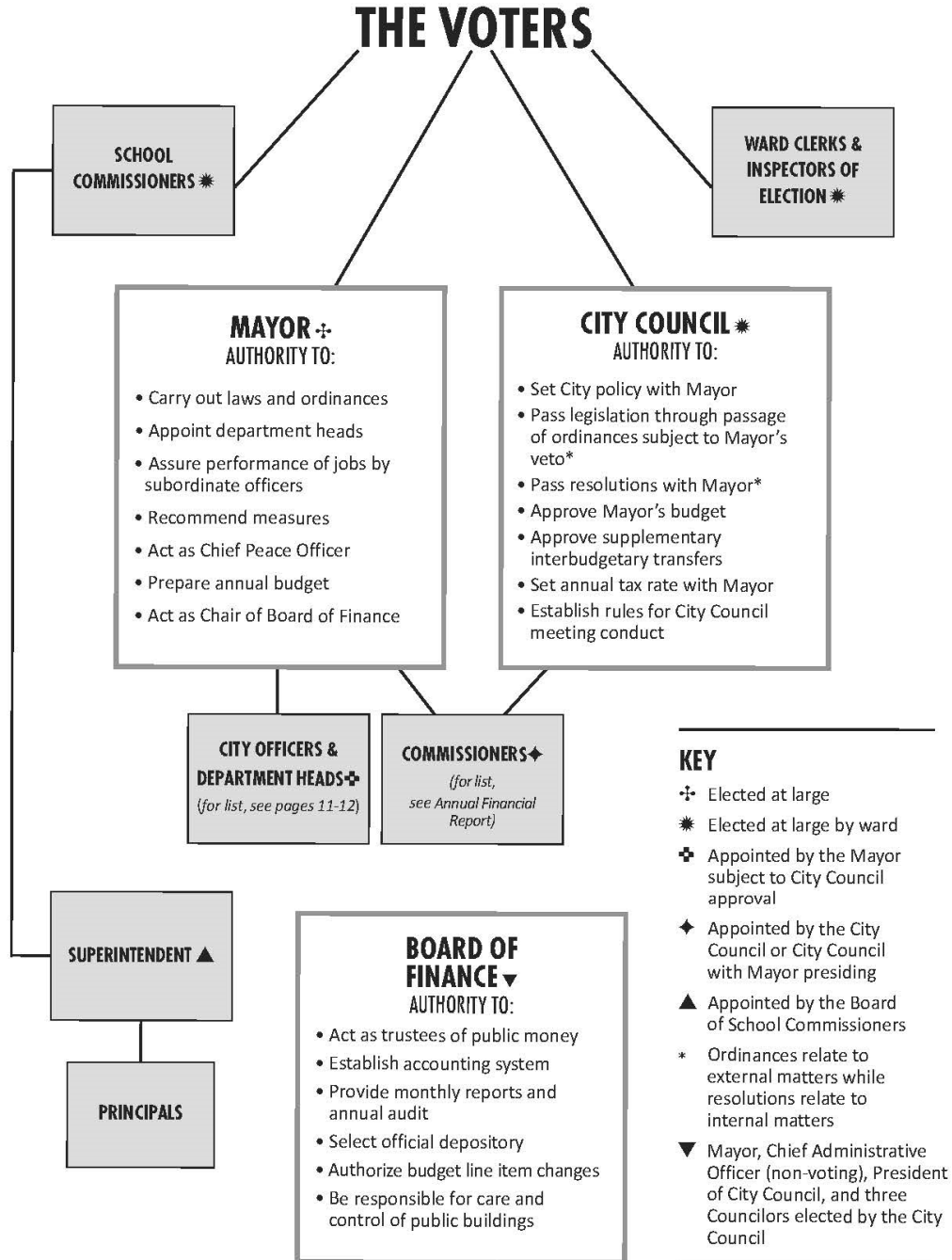


Katherine Schad
Chief Administrative Officer



Ann Barton
Comptroller

City Organizational Chart



**CITY OF BURLINGTON, VERMONT
PRINCIPAL OFFICIALS
As of June 30, 2023**

| | | <u>Initial Term Commenced</u> | <u>Current Term Expires</u> |
|------------------------|--------------|-----------------------------------|-------------------------------------|
| <i>Miro Weinberger</i> | <i>Mayor</i> | <i>2012</i> | <i>2024</i> |

City Council

| | | | |
|------------------------------|-------------------------|-------------|-------------|
| <i>Zoraya Hightower</i> | <i>Ward 1</i> | <i>2020</i> | <i>2024</i> |
| <i>Gene Bergman</i> | <i>Ward 2</i> | <i>2022</i> | <i>2024</i> |
| <i>Joe Magee</i> | <i>Ward 3</i> | <i>2021</i> | <i>2024</i> |
| <i>Sarah Carpenter</i> | <i>Ward 4</i> | <i>2020</i> | <i>2024</i> |
| <i>Ben Traverse</i> | <i>Ward 5</i> | <i>2022</i> | <i>2024</i> |
| <i>Karen Paul, President</i> | <i>Ward 6</i> | <i>2008</i> | <i>2024</i> |
| <i>Ali Dieng</i> | <i>Ward 7</i> | <i>2017</i> | <i>2024</i> |
| <i>Ali House</i> | <i>Ward 8</i> | <i>2022</i> | <i>2024</i> |
| <i>Jack Hanson</i> | <i>East District</i> | <i>2018</i> | <i>2023</i> |
| <i>Perri Freeman</i> | <i>Central District</i> | <i>2018</i> | <i>2023</i> |
| <i>Mark Barlow</i> | <i>North District</i> | <i>2018</i> | <i>2023</i> |
| <i>Joan Shannon</i> | <i>South District</i> | <i>2003</i> | <i>2023</i> |

**CITY OF BURLINGTON, VERMONT
CITY OFFICIALS APPOINTED BY THE MAYOR
As of June 30, 2023**

Chief of Staff **Jordan Redell**
Communications Director**Samantha Sheehan**
Director of Aviation, Burlington International Airport**Nicolas Longo**
Executive Director, Burlington City Arts **Doreen Kraft**
City Assessor. **Joseph Turner**
City Attorney **Jared Pellerin (Acting)**
Chief Administrative Officer **Katherine Schad**
Assistant City Attorney **Kimberly Sturtevant**
Assistant City Attorney **Hayley McClenahan**
Assistant City Attorney **Eric Ramakrishnan**
Director of Business Workforce & Development **Kara Alnasrawi**
Director, Community & Economic Development Office **Brian Pine**
General Manager, Electric Department. **Darren Springer**
Chief, Fire Department. **Michael LaChance**
Director, Fletcher Free Library **Mary Danko**
Director, Human Resources **Kerin Durfee**
Chief Innovation Officer **Scot Barker**
Director, Parks, Recreation & Waterfront. **Cindi Wight**
Director, Permitting & Inspections **Bill Ward**
Director, Office of City Planning **Meagan Tuttle**
Chief, Police Department **Jon Murad**
Director, Department of Public Works. **Chapin Spencer**
Director, Racial Equity, Inclusion & Belonging. **Kimberly Carson**
City Engineer and Surveyor **Norman J. Baldwin**

Acting Director, Emergency Management/Civil Defense. . **Michael LaChance**
Harbor Master **Erin Moreau**
Superintendent, Cemetery Department. **Cindi Wight**
City Grand Juror **Hayley McClenahan**
Assistant City Grand Juror **Kimberlee Sturtevant**
City Constable. **Theodore Miles**
Second Constable **Jared Pellerin**
Third Constable. **William Ward**
Fourth Constable. **Vacant**
Pound Keeper **Wade Labreque**

**FINANCIAL
SECTION**



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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion based on our audit and the report of other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Burlington, Vermont, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Burlington Electric Enterprise Fund, which represents 35 percent, 20 percent, and 58 percent, respectively, of the assets and deferred outflows of resources, 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, is based solely on the report of the other auditors. Also, we did not audit the financial statements of the Burlington School District, the discretely presented component unit. 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 School District, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of

the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the budgetary comparison for the General Fund, and certain pension and OPEB schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 nonmajor fund financial statements are for additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report (ACFR). The other information comprises the introductory and statistical sections but does not include the financial statements and our auditors' report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that

an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 2024 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 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.

Marcum LLP

Merrimack, NH
February 29, 2024

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BASIC FINANCIAL STATEMENTS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Burlington, Vermont (the City), we offer readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023.

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 required and 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, OPEB 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 Electric, Airport, Wastewater, Water 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 the City'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 Electric, Airport, Wastewater, Water and Stormwater activities. The proprietary fund financial statements provide separate information for the Electric, Airport and Wastewater funds, 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 \$436,739,570 (net position), an increase of \$24,383,807 in comparison to the prior year.
- Total net position of the City's component unit, the Burlington School District, amounted to \$24,060,962, a decrease of \$2,076,743 for the year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$72,051,225, an increase of \$32,977,339 in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,530,495, a decrease of \$2,107,378 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 \$15,068,675.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of condensed government-wide statement of net position for the current and prior fiscal year:

| | <u>NET POSITION (000s)</u> | | | | | |
|---|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Governmental | | Business-Type | | Total | |
| | Activities | | Activities | | | |
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Current and other assets | \$ 138,489 | \$ 73,091 | \$ 168,535 | \$ 169,183 | \$ 307,024 | \$ 242,274 |
| Capital assets | <u>209,852</u> | <u>191,671</u> | <u>365,079</u> | <u>356,192</u> | <u>574,931</u> | <u>547,863</u> |
| Total assets | 348,341 | 264,762 | 533,614 | 525,375 | 881,955 | 790,137 |
| Deferred outflows of resources | <u>25,167</u> | <u>12,960</u> | <u>8,599</u> | <u>5,459</u> | <u>33,766</u> | <u>18,419</u> |
| Total assets and deferred outflows of resources | <u>\$ 373,508</u> | <u>\$ 277,722</u> | <u>\$ 542,213</u> | <u>\$ 530,834</u> | <u>\$ 915,721</u> | <u>\$ 808,556</u> |
| Long-term liabilities outstanding | \$ 213,148 | \$ 131,317 | \$ 171,319 | \$ 162,556 | \$ 384,467 | \$ 293,873 |
| Other liabilities | <u>48,080</u> | <u>22,605</u> | <u>20,195</u> | <u>23,720</u> | <u>68,275</u> | <u>46,325</u> |
| Total liabilities | 261,228 | 153,922 | 191,514 | 186,276 | 452,742 | 340,198 |
| Deferred inflows of resources | 1,982 | 22,309 | 24,257 | 33,693 | 26,239 | 56,002 |
| Net position: | | | | | | |
| Net investment in capital assets | 123,312 | 115,250 | 253,158 | 246,060 | 376,470 | 361,310 |
| Restricted | 16,423 | 16,414 | 28,931 | 23,802 | 45,354 | 40,216 |
| Unrestricted | <u>(29,437)</u> | <u>(30,173)</u> | <u>44,353</u> | <u>41,003</u> | <u>14,916</u> | <u>10,830</u> |
| Total net position | <u>110,298</u> | <u>101,491</u> | <u>326,442</u> | <u>310,865</u> | <u>436,740</u> | <u>412,356</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 373,508</u> | <u>\$ 277,722</u> | <u>\$ 542,213</u> | <u>\$ 530,834</u> | <u>\$ 915,721</u> | <u>\$ 808,556</u> |

The largest portion of net position \$376,470,395 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 \$45,353,592 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is \$14,915,583, which represents a combination of our governmental activities and business-type activities. Our governmental activities unrestricted net position is a deficit of \$29,437,679. 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 \$44,353,262. About 41% of this balance is derived from our Airport Enterprise Fund and 29% of this balance is derived from our Electric Enterprise Fund.

The following is a summary of condensed government-wide statement of changes in net position for the current and prior fiscal year:

| | <u>CHANGES IN NET POSITION (000s)</u> | | | | | |
|---|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Governmental | | Business-Type | | Total | |
| | Activities | | Activities | | | |
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 26,097 | \$ 23,341 | \$ 107,194 | \$ 98,685 | \$ 133,291 | \$ 122,026 |
| Operating grants and contributions | 13,158 | 17,739 | 161 | 161 | 13,319 | 17,900 |
| Capital grants and contributions | 17,495 | 4,485 | 9,666 | 25,506 | 27,161 | 29,991 |
| General revenues: | | | | | | |
| Property taxes | 52,738 | 42,719 | - | - | 52,738 | 42,719 |
| Gross receipts taxes | 5,112 | 4,206 | - | - | 5,112 | 4,206 |
| Local sales option tax | 3,031 | 2,879 | - | - | 3,031 | 2,879 |
| Payments in lieu of taxes | 1,695 | 1,518 | - | - | 1,695 | 1,518 |
| Franchise fees | 2,505 | 2,076 | - | - | 2,505 | 2,076 |
| Impact fees | 146 | 14 | - | - | 146 | 14 |
| Interest and penalties on delinquent taxes | 575 | 497 | - | - | 575 | 497 |
| Nonoperating grants | - | - | 2,881 | 5,180 | 2,881 | 5,180 |
| Investment income (loss) | 1,657 | (607) | 934 | (134) | 2,591 | (741) |
| Dividends from associated companies | - | - | 4,400 | 4,336 | 4,400 | 4,336 |
| Other revenues | 2,264 | 632 | 194 | 492 | 2,458 | 1,124 |
| Total revenues | <u>126,473</u> | <u>99,499</u> | <u>125,430</u> | <u>134,226</u> | <u>251,903</u> | <u>233,725</u> |
| Expenses: | | | | | | |
| Governmental activities: | | | | | | |
| General government | 23,731 | 19,066 | - | - | 23,731 | 19,066 |
| Public safety | 37,657 | 30,401 | - | - | 37,657 | 30,401 |
| Public works | 28,548 | 16,545 | - | - | 28,548 | 16,545 |
| Culture and recreation | 16,762 | 14,226 | - | - | 16,762 | 14,226 |
| Community development | 9,186 | 6,791 | - | - | 9,186 | 6,791 |
| Interest on long-term debt | 4,837 | 3,060 | - | - | 4,837 | 3,060 |
| Business-type activities: | | | | | | |
| Electric | - | - | 64,555 | 59,859 | 64,555 | 59,859 |
| Airport | - | - | 26,113 | 25,084 | 26,113 | 25,084 |
| Wastewater | - | - | 7,263 | 6,894 | 7,263 | 6,894 |
| Water | - | - | 7,454 | 7,262 | 7,454 | 7,262 |
| Stormwater | - | - | 1,413 | 1,293 | 1,413 | 1,293 |
| Total expenses | <u>120,721</u> | <u>90,089</u> | <u>106,798</u> | <u>100,392</u> | <u>227,519</u> | <u>190,481</u> |
| Change in net position before transfers | 5,752 | 9,410 | 18,632 | 33,834 | 24,384 | 43,244 |
| Transfers in / (out) | 3,055 | 3,770 | (3,055) | (3,770) | - | - |
| Change in net position | 8,807 | 13,180 | 15,577 | 30,064 | 24,384 | 43,244 |
| Net position - beginning of year, as restated | 101,491 | 88,311 | 310,865 | 280,801 | 412,356 | 369,112 |
| Net position - end of year | <u>\$ 110,298</u> | <u>\$ 101,491</u> | <u>\$ 326,442</u> | <u>\$ 310,865</u> | <u>\$ 436,740</u> | <u>\$ 412,356</u> |

Governmental activities. Governmental activities for the year resulted in an increase in net position of \$8.8 million. Total revenues increased \$30.0 million. This is primarily due to the increase in the federal Highway and Planning grant for Champlain Parkway of \$11.4 million from the previous year. Property taxes increased \$10.0 million due to municipal tax rate increasing from \$0.67 to \$0.71 per \$100 of assessed value. Assessed value

increased from \$5.7 billion to \$5.8 billion. Total expenses increased by \$30.6 million. Public works expenses increased \$12.0 million. The department oversaw a lot of major repairs and maintenance projects in fiscal year 2023 which were financed by issuing public offering debt, including a \$3.8 million spent on paving, crack sealing and sealcoating in fiscal year 2023.

Business-type activities. Business-type activities for the year resulted in an increase in net position of \$15.6 million. 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.

General Fund

The General Fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$6.5 million, while total fund balance was \$17.6 million.

The City has an established General Fund balance policy that outlines a process for reaching and maintaining the targeted level of unassigned fund balance, and the priority for the use of amounts in excess of the target. The policy provides a mechanism for monitoring the General Fund unassigned fund balance. A target of 10%, with a minimum of 5% to a maximum of 15% of operational costs has been established. Therefore, a comparison of both unassigned fund balance, as a measure of the General Fund’s liquidity, and total fund balance of the General Fund to prior year and as a percentage of operational costs is presented below:

| <u>City General Fund</u> | <u>6/30/23</u> | <u>6/30/22</u> | <u>Change</u> | <u>% of Total General Fund Expenditures</u> |
|--------------------------|----------------|----------------|----------------|---|
| Unassigned fund balance | \$ 6,530,495 | \$ 8,637,873 | \$ (2,107,378) | 8.1% |
| Total fund balance | \$ 17,556,415 | \$ 22,127,642 | \$ (4,571,227) | 21.6% |

The total fund balance decreased due to \$4.6 million expended from the designated fund which was funded by prior year restricted and assigned fund balances. Decrease to nonspendable, restricted, committed and assigned fund balances of \$2.5 million mitigated the decrease to unassigned fund balance, for a net change of \$2.1 million.

Capital Projects Fund

The Capital Projects Fund, a major fund, had an increase in fund balance of \$36.3 million during the current fiscal year, which put the overall fund balance position in the amount of \$44.9 million. Restricted fund balance of \$53.5 million represents projects that began

during the current fiscal year but have not been completed yet. The City issued \$14.8 million general obligation public improvement bond and \$30.1 million general obligation downtown tax increment bond in fiscal year 2023. These bonds mostly remain unspent at June 30, 2023.

Other Governmental Funds

The other governmental funds incurred an increase in fund balances of \$1.3 million, which is primarily due to tax increment revenues exceeding debt service and related costs by \$1.3 million in the TIF downtown and waterfront districts.

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 fund compared to the prior year is shown below:

| | <u>Unrestricted Net Position</u> | | |
|-----------------|----------------------------------|----------------------|---------------------|
| | <u>6/30/23</u> | <u>6/30/22</u> | <u>Change</u> |
| Electric | \$ 12,927,813 | \$ 16,185,803 | \$ (3,257,990) |
| Airport | 18,350,081 | 13,421,478 | 4,928,603 |
| Wastewater | 4,343,269 | 3,682,356 | 660,913 |
| Nonmajor funds: | | | |
| Water | 6,191,875 | 6,014,799 | 177,076 |
| Stormwater | <u>2,540,224</u> | <u>1,698,274</u> | <u>841,950</u> |
| Total | <u>\$ 44,353,262</u> | <u>\$ 41,002,710</u> | <u>\$ 3,350,552</u> |

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

- The Electric Enterprise Fund unrestricted net position at June 30, 2023 decreased from the previous year partly due to customer accounting, service, and sales expense for 2023 increased by \$1.8 million compared to 2022 due primarily to an increase in Energy Efficiency Utility (EEU) program activity expenses. For additional information, please refer to the separate financial statements issued for the City of Burlington, Vermont Electric Department.

- The Airport’s unrestricted net position increased from the previous year primarily due to the recognition of the capital contributions received from the Federal Aviation Administration (FAA) of \$8.8 million for capital improvements. For additional information, please refer to the separate financial statements issued for the Patrick Leahy Burlington International Airport.
- The net increase of \$1.7 million in the Wastewater, Water and Stormwater unrestricted net position (which are managed on a combined basis) is primarily the result of rate increases. For additional information, please refer to the separate financial statements issued for the Wastewater and Water Enterprise Funds.

E. GENERAL FUND BUDGETARY HIGHLIGHTS

The City approved a fiscal year 2023 budget 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 City’s General Fund budget for fiscal year 2023 (after amendments) resulted in a budgeted surplus of \$0.4 million. The actual performance resulted in expenditures and other uses exceeding revenues and other sources exceeding by \$4.6 million. Revenues (not including other financing sources) were short of budget by \$3.3 million. Street franchise fees included in licenses and permits were short of budget by \$1.4 million due to setting budget expectation too high. Unspent expenditures were \$4.9 million (not including transfers). The use of fund balance represents the use of restricted, committed, assigned and unassigned fund balance categories. Half of the use of fund balance was spent out of the designated fund primarily in the other uses or the transfers out category, which shows transfers primarily to Capital Projects Fund funded by either use of restricted fund balance (bond premiums) or assigned fund balance.

F. CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental activities at year-end amounted to \$209.9 million (net of accumulated depreciation), an increase of \$18.2 million from the prior year. Total investment in capital assets for business-type activities at year-end amounted to \$365.1 million (net of accumulated depreciation/amortization), an increase of \$8.9 million from the prior year. This investment in capital assets includes land and land improvements, construction in progress, buildings and improvements, infrastructure, distribution and collection systems, and vehicles, machinery, equipment, and furniture and right to use assets.

Major capital asset events during the current fiscal year for governmental activities included Champlain Parkway improvements of \$21.4 million, complete reconstruction and rebuilding of University Place Road of \$1.8 million, and Main Street design of \$1.5 million.

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 82 to 84 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 strong tax base and economy and generally stable financial position with healthy reserves, and above-average debt burden and unfunded pension liabilities.

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 City.

| | Bonds Payable and State Revolving Loans | | |
|---------------------------|--|-----------------------|----------------------|
| | <u>6/30/23</u> | <u>6/30/22</u> | <u>Change</u> |
| Governmental Activities: | | | |
| City | \$ 122,302,850 | \$ 76,206,371 | \$ 46,096,479 |
| Business-Type Activities: | | | |
| Electric | 88,506,617 | 91,100,359 | (2,593,742) |
| Airport | 26,288,922 | 26,603,651 | (314,729) |
| Wastewater | 13,200,706 | 12,741,677 | 459,029 |
| Water | 6,927,232 | 7,251,198 | (323,966) |
| Stormwater | <u>253,187</u> | <u>275,857</u> | <u>(22,670)</u> |
| Subtotal business-type | 135,176,664 | 137,972,742 | (2,796,078) |
| Component Unit: | | | |
| School District | <u>43,209,262</u> | <u>43,034,535</u> | <u>174,727</u> |
| Total | <u>\$ 300,688,776</u> | <u>\$ 257,213,648</u> | <u>\$ 43,475,128</u> |

Additional information on the City’s long-term debt can be found in Note 15 on pages 86 to 93 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>6/30/23</u> | <u>6/30/22</u> | <u>Change</u> |
| Governmental Activities: | | | |
| City | \$ 78,070,840 | \$ 41,261,286 | \$ 36,809,554 |
| Business-Type Activities: | | | |
| Electric | 21,677,516 | 11,606,188 | 10,071,328 |
| Airport | 2,719,717 | 1,482,310 | 1,237,407 |
| Wastewater | 1,164,406 | 622,663 | 541,743 |
| Water | 1,686,558 | 861,933 | 824,625 |
| Subtotal business-type | <u>27,248,197</u> | <u>14,573,094</u> | <u>12,675,103</u> |
| Component Unit: | | | |
| School District | <u>11,074,177</u> | <u>6,009,608</u> | <u>5,064,569</u> |
| Total | <u>\$ 116,393,214</u> | <u>\$ 61,843,988</u> | <u>\$ 54,549,226</u> |

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

Mayor’s Overview

Management Discussion and FY 24 Budget Summary

As with the past three budget years since the pandemic, FY24 revenues and expenditures have once again proven very complex, ever-evolving, and difficult to project. In some ways, this is the most difficult of the pandemic-era budgets and many of the challenges that shaped this year’s fiscal strategy will ripple into the future.

In recent years, a significant infusion of one-time federal relief dollars helped balance dramatic revenue shortfalls driven by the pandemic, enabling us to restore City operations and make progress on numerous equity initiatives.

This year, our major budget challenges are driven by lingering pandemic impacts on City revenues, severe and sustained inflationary pressures which have increased City costs across all operations, and our commitment to minimize cost impacts on residents as Burlingtonians continue to face uncertain and challenging economic times.

To answer these challenges, this budget implements a creative combination of one-time funds, repurposed reserves, non-service or personnel-related cuts, and a modest tax increase pursuant to the City Council Charter Authority to properly fund Parks and Recreation (the Parks tax rate has remained at or below the current rate of .025 since FY14).

FY 24 Budget Principles

The Administration began the FY 24 budget process by laying out the principles that would guide our work to develop the budget. Those principles were:

- Restoring public safety through rebuilt and expanded Burlington Police Department and additional public safety resources is top priority of the budget.
- Minimizing increases to property tax burden as constituents and Burlington businesses recover from pandemic and absorb costs of new high school.
- Retaining current City employees through the volatility of the pandemic and recovery continues to be a high priority as it has been since 2020.
- Continuing historically high level of public infrastructure investment as in all years since 2016.
- Cuts are focused on non-personnel budget lines.
- Few, if any, new initiatives can be added to the structural budget this year unless funded externally.
- We will need a multi-year plan to address the challenges that are coming into focus as we emerge from the pandemic.
- We will continue to invest heavily in addressing the climate emergency in significant part through expanded BED efforts.
- Additional new federal and state opportunities are available and we continue our expanded efforts to apply for them.

Now, at the conclusion of the process, the budget that we have submitted reflects all of these principles. The General Fund Budget makes significant investments in a rebuilt and expanded police department, retains current City services and employees, and maintains historic levels of infrastructure investment – while minimizing property tax and fee increases as Burlingtonians and local businesses work to recover from the pandemic and absorb the debt burden of the new high school.

We would like to recognize the work of our Chief Administrative Officer, Katherine Schad, who has led the budget process, members of the Clerk Treasurer’s Office team, especially Jason Gow, City Department Heads, and their teams, who worked diligently towards our common goals to deliver this budget.

A Challenging Budget Period

Factors contributing to challenges in the FY24 budget, and likely future years, include:

- Inflation-driven COLA increases across all unions for FY23 and FY24 add substantial costs to the operating budget.
- Increases to most of the City’s non-personnel operating costs are driven by significant and sustained inflation rates (an average of 8.0% across all months in 2022, and 5.26% across the first 5 months of 2023).
- We are in the third and final year of phasing out federal support for dramatically expanded city-wide equity initiatives, including the creation of the Racial Equity,

Inclusion, and Belonging (REIB) Department, paying board and commission members, our language access program, and paying all City employees a livable wage. In FY22 the General Fund budget allocated \$2.76M to launch these initiatives, the FY24 the budget commits only \$800k of federal dollars to REIB and \$170K to CEDO to support these initiatives.

- Pandemic-impacted revenue shortfalls persist across numerous sources, such as boat slip rental at the waterfront and parking across the City.
- Our largest revenue source, property taxes, can only increase by 1) growing the Grand List (which historically drives a <1% increase in tax revenue per year) or 2) voter-approved tax rate increases.
- Rebuilding of police officer ranks (in alignment with the Rebuilding Plan, the budget assumes 7 additional officers in FY24), hiring three new firefighters, and fully staffing the CSL (6) and CSO (11) programs, also contribute to considerable public safety cost increase.

Process & Solutions for a Full-Service Budget

This budget includes many initiatives proposed by Councilors during the budget process and in meetings that took place over the course of the last six weeks including rolling over unspent councilor initiative funds from the prior-year budget, increased funds for lobbying for City initiatives during the legislative session, and increased patching and paving in the 2024 construction season.

Voters have not increased the municipal tax rate since an increase since the Public Safety tax was approved in March 2020 and implemented in the FY22 budget (which was used to pay for the cost of adding a third ambulance crew). Level funding a full-service budget amidst a high inflationary environment and without significant new federal funds or a commensurate increase in the tax rate created real challenges to this budget process.

To solve for these challenges, the FY24 budget implements the following solutions:

- As in FY23, we are assuming that pandemic-impacted revenues continue to strongly rebound, and we are continuing to carry a \$1 million ARPA-funded Revenue Replacement Reserve for revenue shortfalls.
- Department Heads level-funded all operating budgets with few exceptions (ambulance supplies, diesel fuel, etc.) and all Departments maintain current staffing levels, the only new hires are in public safety positions.
- Use of City Council Charter Authority to sufficiently fund public parks and recreation, and paving and patching.
- Repurposing of unspent FY23 Revenue Replacement Reserve and other reserves to fund the first year of multi-year plan to phase in new Public Safety costs into the structural budget.
- Use of one-time funds to address one year of vehicle needs.
- Approximately \$750,000 of additional cuts and adjustments.

Increased Public Safety costs are driving a significant portion of the year-over-year budget increase. This pressure will increase in the next two budget years as the Rebuilding Plan is implemented and as police officer ranks approach the authorized headcount as detailed in the “Stabilized Budget” projection included in the BPD budget presentation. In order to continue our momentum in the Rebuilding Plan, the FY24 budget relies on \$1.3 million of federal funds. In order to complete the rebuilding of the department we will need to phase these costs and the projected future cost increases into the structural budget over the next couple of years.

Furthermore, in 2022 the City created two new positions in the Clerk Treasure’s Office to support primarily General Fund departments in their collective efforts to compete for new and ongoing state and federal grant funding opportunities, to more aggressively reduce financial burdens on property tax revenues, and to grow new and underfunded initiatives. In FY23 the City leveraged \$212,000 of City funds for more than \$2 million in non-federally funded projects and received \$107 million in federal awards across all City departments.

The Grants team has made \$26.5 million in further requests which are pending, and anticipates opportunities ahead in FY24 to seek state and federal support for major infrastructure projects including the QCPR bridge, Great Streets improvements in the Downtown, and in various city parks, as well as for programs including REIB’s planned Neighborhood Equity Index, workforce development, public art, planning, and public health.

Significant Public Investments in FY24

Despite the major challenges detailed above, the FY24 budget avoids any service cuts, layoffs, or hiring freezes on existing positions and will continue to forge critical progress in our highest priority areas, including:

- Robust investments in green stimulus incentives for BED ratepayers and work underway to ready the electric grid for future increased electricity demand will continue, funded in part by the voter-approved \$20 million Net Zero Energy Revenue Bond passed in 2021.
- Expanded resources, recruitment tools, and new hires for public safety, including \$1.3 million of increased BPD personnel costs and \$950,000 of increased BFD personnel costs.
- Major public infrastructure investments supported in large part by the 2022 voter-approved Capital Bond, federal and state awards, and more than \$1 million in Street Capital funds for paving and large patching repairs, including an additional \$282,000 (for approximately 1/3 mile of full-width paving) beyond the 2.3 miles already planned for FY24.
- New deployment of \$183,000 in annual Opioid Settlement funds to support the City’s expanded efforts to advance harm reduction and expand access to MOUD treatment and contingency management. The City has signed two settlements that will provide steady funds over more than a decade and is expecting to sign more agreements in FY24.

- A \$1.7 million budget for the REIB Department which includes the elimination of any temporary or limited services positions and the structural reorganization of 10 full-time employees to advance the Department’s key initiatives, including cultural events, programs to address racism as a public health emergency, the continuation of the Empowerment Fund, and the planned Neighborhood Equity Index.

Finally, we want to note that the Regional Programs budget includes \$15,000 for the construction of the Children of St. Joseph's Orphanage Memorial. The memorial is one of a number of important, restorative initiatives being taken in the wake of the investigation of the orphanage that the City helped launch in 2015 and will be added to the \$10,000 of councilor initiative funds that the Board of Finance has already approved. [You can read more about this memorial here.](#) (A Path to Healing: A New Public Memorial Will Honor Residents of St. Joseph's Orphanage article published by Seven Days on June 14, 2023.)

Property Tax Rates

The General Fund Budget is level funded and holds the overall increase in City expenses below the average rate of inflation for 2023 to date, which is 5.26% (the current rate of inflation is 4%).

| Type | FY23 Budget | FY24 Budget | Year Over Year Increase Dollars | Year over Year Increase Percent |
|----------|-------------|-------------|---------------------------------|---------------------------------|
| Revenues | \$98.0M | \$101.1M | \$3.1M | 3% |
| Expenses | \$97.4M | \$101.1M | \$3.7M | 4% |

The proposed FY24 budget will require an increased tax rate of \$.7523 from the FY23 tax rate of \$.7082 -- or an increase of 6.2%, which is comparable to this year’s projected State Education tax rate increase. This includes an addition of \$.005 to the dedicated Street Capital and Greenbelt tax to increase patching and paving in the 2024 construction season, and an additional \$.02 to the dedicated Parks tax which will generate an additional \$1.1 million of revenue to pay for BPRW expenses the City is already incurring.

As prescribed by Charter, the dedicated Retirement and Debt Service taxes are adjusted annually to meet the needs of those funds. The proposed budget also increases the Business Personal Property Tax exemption from \$45,000 to \$75,000.

The total year-over-year increase in the municipal property tax rate represents a \$13.60 per month, or \$163.20 per year, increase for homeowners with a home with median tax assessed value of \$370,000.

FY24 Mayor's Recommended Budget General Fund Tax Rate Revenue

| Grand List / \$100 | FY23 | | FY24 | |
|----------------------------------|-----------------|----------------------|-----------------|----------------------|
| | Budget Tax Rate | Projected Taxes | Budget Tax Rate | Projected Taxes |
| | | \$56,324,734 | | \$57,068,220 |
| REVENUE NEUTRAL RATES: | | | | |
| General City | 0.1952 | \$ 10,994,588 | 0.1952 | \$ 11,139,717 |
| Police/Fire | 0.0785 | 4,421,492 | 0.0785 | 4,479,855 |
| RATES CAPPED BY VOTERS: | | | | |
| Parks | 0.0250 | 1,408,118 | 0.0450 | 2,568,070 |
| Penny for Parks | 0.0100 | 563,247 | 0.0100 | 570,682 |
| Highway | 0.0312 | 1,757,332 | 0.0312 | 1,780,528 |
| Street Capital and Greenbelt | 0.0500 | 2,816,237 | 0.0550 | 3,138,752 |
| Library Tax | 0.0050 | 281,624 | 0.0050 | 285,341 |
| Housing Trust | 0.0100 | 563,247 | 0.0100 | 570,682 |
| Open Space - Conservation Legacy | 0.0100 | 563,247 | 0.0100 | 570,682 |
| BUDGET DRIVEN RATES: | | | | |
| GMT (formerly CCTA) | 0.0295 | 1,660,893 | 0.0325 | 1,852,861 |
| County Tax | 0.0041 | 230,931 | 0.0042 | 237,859 |
| Retirement | 0.1534 | 8,640,214 | 0.1564 | 8,925,470 |
| Debt Service | 0.1063 | 5,989,270 | 0.1166 | 6,654,154 |
| | ===== | ===== | ===== | ===== |
| TOTAL | 0.7082 | \$ 39,890,441 | 0.7495 | \$ 42,774,654 |

Looking Ahead to FY25 and Beyond

Many of the financial pressures we faced this year are likely to continue and intensify in the future. To plan for future budget years and maintain the City’s commitments to equity, good fiscal health, and to minimizing financial burdens on ratepayers and taxpayers, numerous operational analyses and studies are planned.

Following the most recent citywide appraisal, the Planning Department initiated a revenue and equity analysis now being conducted by an outside firm to map the financial health of built environments in Burlington in order to understand which areas of the City are the most underperforming from a valuation perspective, but simultaneously have the most tax revenue potential for redevelopment. This work will be completed in FY24 and will inform future budgets, land use policy reforms, and City planning to support the equitable and sustainable growth of property tax revenues.

In addition to the revenue and equity analysis, and ongoing work by City staff to complete an updated Capital Investment Plan and review our current Franchise Fee ordinance, the FY24 budget includes:

- \$50,000 for a Fleet Management Study to establish sustainable funding for City vehicles.
- \$75,000 for operational analysis of City operations to ensure functions aren’t duplicated across the City and to increase inter-department efficiencies.

- Continued support for the Impact Fee Study (for which the City allocated \$100,000 in FY23) so that a leading expert firm can advise the City and CCRPC on an update of our impact fee program.
- Funding provided by HUD for no-cost technical assistance to complete a Financial Sustainability Study for CEDO.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Burlington's finances for all those with an interest in the City's finances. 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 <https://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, 2023

| | Primary Government | | | Discretely Presented Component Unit |
|--|-------------------------|--------------------------|-----------------------|-------------------------------------|
| | Governmental Activities | Business-Type Activities | Total | |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | |
| ASSETS: | | | | |
| Current: | | | | |
| Cash and short-term investments | \$ 100,454,413 | \$ 29,950,385 | \$ 130,404,798 | \$ 13,969,435 |
| Investments | 10,145,544 | 798,539 | 10,944,083 | 25,392 |
| Escrows | 2,223,000 | 82,400 | 2,305,400 | - |
| Receivables, net of allowance for uncollectibles: | | | | |
| Property taxes | 1,766,830 | - | 1,766,830 | - |
| User fees | - | 11,763,105 | 11,763,105 | - |
| Departmental and other | 3,490,378 | - | 3,490,378 | 24,779 |
| Intergovernmental | 13,043,197 | 12,420,978 | 25,464,175 | 10,111,172 |
| Passenger facility charges | - | 496,204 | 496,204 | - |
| Loans | 59,367 | 86,344 | 145,711 | - |
| Leases | - | 3,176,842 | 3,176,842 | - |
| Inventory | 687,641 | 8,475,059 | 9,162,700 | 85,224 |
| Prepaid expenses | 290,576 | 120,969 | 411,545 | 268,927 |
| Other assets | 110,136 | 1,531,079 | 1,641,215 | - |
| Total current assets | 132,271,082 | 68,901,904 | 201,172,986 | 24,484,929 |
| Noncurrent: | | | | |
| Restricted cash and short-term investments | - | 22,454,804 | 22,454,804 | 10,997,619 |
| Restricted investments | - | 20,368,135 | 20,368,135 | - |
| Receivables, net of current portion: | | | | |
| Loans | 4,832,661 | 180,645 | 5,013,306 | - |
| Leases | - | 13,421,347 | 13,421,347 | - |
| Accrued interest | 1,385,224 | - | 1,385,224 | - |
| Equity interests in associated companies | - | 35,301,336 | 35,301,336 | - |
| Regulatory assets and other assets | - | 7,907,270 | 7,907,270 | - |
| Capital assets: | | | | |
| Land and construction in progress | 56,398,820 | 97,172,938 | 153,571,758 | 17,537,370 |
| Other capital assets, net of accumulated depreciation | 153,453,141 | 267,905,779 | 421,358,920 | 45,539,647 |
| Total noncurrent assets | 216,069,846 | 464,712,254 | 680,782,100 | 74,074,636 |
| TOTAL ASSETS | 348,340,928 | 533,614,158 | 881,955,086 | 98,559,565 |
| DEFERRED OUTFLOWS OF RESOURCES: | | | | |
| Related to pension | 24,526,848 | 7,964,971 | 32,491,819 | 2,319,096 |
| Related to OPEB | 639,998 | 339,047 | 979,045 | 1,244,363 |
| Loss on advanced refunding | - | 294,654 | 294,654 | - |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 25,166,846 | 8,598,672 | 33,765,518 | 3,563,459 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 373,507,774 | \$ 542,212,830 | \$ 915,720,604 | \$ 102,123,024 |

(continued)

CITY OF BURLINGTON, VERMONT

STATEMENT OF NET POSITION

JUNE 30, 2023

(continued)

| | Primary Government | | | Discretely Presented Component Unit |
|--|----------------------------|-----------------------------|-----------------------|--|
| | Governmental Activities | Business-Type Activities | Total | |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | | | | |
| LIABILITIES: | | | | |
| Current: | | | | |
| Accounts payable | \$ 9,847,561 | \$ 7,789,375 | \$ 17,636,936 | \$ 5,316,188 |
| Accrued liabilities | 1,459,975 | 138,002 | 1,597,977 | 4,035,420 |
| Accrued interest | 863,490 | 561,296 | 1,424,786 | - |
| Due to other governments | - | - | - | 163,834 |
| Unearned revenue | 12,338,174 | 693,123 | 13,031,297 | 21,401 |
| Note payable | 23,340,000 | 8,365,767 | 31,705,767 | - |
| Other liabilities | 230,700 | 1,848,229 | 2,078,929 | - |
| Payable from restricted assets | - | 798,539 | 798,539 | - |
| Current portion of long-term liabilities: | | | | |
| Bonds and loans payable | 8,715,057 | 10,172,812 | 18,887,869 | 2,035,416 |
| Notes payable | 1,230,422 | 1,050,185 | 2,280,607 | - |
| Lease payable | - | 193,580 | 193,580 | 2,084,936 |
| Compensated absences liability | 269,096 | 648,925 | 918,021 | 360,858 |
| Insurance reserves | 1,071,562 | - | 1,071,562 | - |
| Total current liabilities | 59,366,037 | 32,259,833 | 91,625,870 | 14,018,053 |
| Noncurrent, net of current portion: | | | | |
| Bonds and loans payable | 113,587,793 | 125,003,852 | 238,591,645 | 41,173,846 |
| Net pension liability | 78,070,840 | 27,248,197 | 105,319,037 | 11,074,177 |
| Total OPEB liability | 4,247,046 | 1,402,273 | 5,649,319 | 8,025,862 |
| Notes payable | 3,280,760 | 3,121,404 | 6,402,164 | - |
| Lease payable | - | 1,311,256 | 1,311,256 | 723,255 |
| Compensated absences liability | 2,421,864 | 1,166,750 | 3,588,614 | 2,044,859 |
| Insurance reserves | 253,857 | - | 253,857 | - |
| Total noncurrent liabilities | 201,862,160 | 159,253,732 | 361,115,892 | 63,041,999 |
| TOTAL LIABILITIES | 261,228,197 | 191,513,565 | 452,741,762 | 77,060,052 |
| DEFERRED INFLOWS OF RESOURCES: | | | | |
| Regulatory deferral | - | 6,722,125 | 6,722,125 | - |
| Related to pensions | 265,625 | 744,420 | 1,010,045 | 181,221 |
| Related to OPEB | 1,716,441 | 718,485 | 2,434,926 | 820,789 |
| Related to leases | - | 16,072,176 | 16,072,176 | - |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 1,982,066 | 24,257,206 | 26,239,272 | 1,002,010 |
| NET POSITION: | | | | |
| Net investment in capital assets | 123,312,160 | 253,158,235 | 376,470,395 | 17,059,564 |
| Restricted externally or constitutionally for: | | | | |
| Community development | 6,368,398 | - | 6,368,398 | - |
| Debt service/renewal and replacements/capital projects | 8,808,321 | 21,021,440 | 29,829,761 | 11,697,619 |
| Contingency reserve | - | 1,433,365 | 1,433,365 | - |
| Deposits with bond trustees | - | 6,475,757 | 6,475,757 | - |
| Special revenue funds | - | - | - | 1,539,848 |
| Permanent funds: | | | | |
| Nonexpendable | 1,221,415 | - | 1,221,415 | - |
| Expendable | 24,896 | - | 24,896 | 25,867 |
| Unrestricted | (29,437,679) | 44,353,262 | 14,915,583 | (6,261,936) |
| TOTAL NET POSITION | 110,297,511 | 326,442,059 | 436,739,570 | 24,060,962 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | \$ 373,507,774 | \$ 542,212,830 | \$ 915,720,604 | \$ 102,123,024 |

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

CITY OF BURLINGTON, VERMONT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

| | <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 | \$ 23,731,535 | \$ 5,344,012 | \$ 6,549,478 | \$ - | \$ (11,838,045) |
| Public safety | 37,656,972 | 7,406,852 | 302,814 | - | (29,947,306) |
| Public works | 28,548,328 | 6,918,325 | 509,393 | 16,274,170 | (4,846,440) |
| Culture and recreation | 16,761,796 | 5,033,783 | 1,579,955 | - | (10,148,058) |
| Community development | 9,185,772 | 1,393,603 | 4,216,070 | 1,220,653 | (2,355,446) |
| Interest and related costs | <u>4,837,555</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(4,837,555)</u> |
| Total Governmental Activities | 120,721,958 | 26,096,575 | 13,157,710 | 17,494,823 | (63,972,850) |
| Business-Type Activities: | | | | | |
| Electric | 64,555,032 | 62,816,612 | - | 735,644 | (1,002,776) |
| Airport | 26,113,474 | 25,003,141 | 160,600 | 8,771,301 | 7,821,568 |
| Wastewater | 7,262,698 | 9,102,060 | - | 158,703 | 1,998,065 |
| Water | 7,453,905 | 8,464,522 | - | - | 1,010,617 |
| Stormwater | <u>1,412,923</u> | <u>1,808,078</u> | <u>-</u> | <u>-</u> | <u>395,155</u> |
| Total Business-Type Activities | <u>106,798,032</u> | <u>107,194,413</u> | <u>160,600</u> | <u>9,665,648</u> | <u>10,222,629</u> |
| Total Primary Government | <u>\$ 227,519,990</u> | <u>\$ 133,290,988</u> | <u>\$ 13,318,310</u> | <u>\$ 27,160,471</u> | <u>\$ (53,750,221)</u> |
| Discretely Presented Component Unit: | | | | | |
| Burlington School District | <u>\$ 131,181,325</u> | <u>\$ 2,620,599</u> | <u>\$ 51,101,043</u> | <u>\$ -</u> | <u>\$ (77,459,683)</u> |

(continued)

CITY OF BURLINGTON, VERMONT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

(continued)

| | Primary Government | | | Discretely Presented Component Unit |
|--|-------------------------|--------------------------|-----------------------|-------------------------------------|
| | Governmental Activities | Business-Type Activities | Total | |
| Change in Net Position | | | | |
| Net (expenses) revenues from previous page | \$ (63,972,850) | \$ 10,222,629 | \$ (53,750,221) | \$ (77,459,683) |
| General Revenues: | | | | |
| Property taxes | 52,738,186 | - | 52,738,186 | - |
| Gross receipts taxes | 5,111,609 | - | 5,111,609 | - |
| Local option sales tax | 3,031,484 | - | 3,031,484 | - |
| Payments in lieu of taxes | 1,695,326 | - | 1,695,326 | - |
| Franchise fees | 2,505,165 | - | 2,505,165 | - |
| Impact fees | 145,935 | - | 145,935 | - |
| Interest and penalties on delinquent taxes | 575,384 | - | 575,384 | - |
| Non-operating grants | - | 2,881,288 | 2,881,288 | - |
| General state support | - | - | - | 73,291,316 |
| Unrestricted investment earnings (loss) | 1,657,351 | 934,346 | 2,591,697 | 1,260,791 |
| Dividends from associated companies | - | 4,399,511 | 4,399,511 | - |
| Other revenues | 2,263,797 | 194,646 | 2,458,443 | 830,833 |
| Transfers in/(out) | 3,055,346 | (3,055,346) | - | - |
| Total general revenues and transfers | <u>72,779,583</u> | <u>5,354,445</u> | <u>78,134,028</u> | <u>75,382,940</u> |
| Change in Net Position | 8,806,733 | 15,577,074 | 24,383,807 | (2,076,743) |
| Net Position: | | | | |
| Beginning of year, as restated | <u>101,490,778</u> | <u>310,864,985</u> | <u>412,355,763</u> | <u>26,137,705</u> |
| End of year | <u>\$ 110,297,511</u> | <u>\$ 326,442,059</u> | <u>\$ 436,739,570</u> | <u>\$ 24,060,962</u> |

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

CITY OF BURLINGTON, VERMONT

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2023

| | <u>General</u> | <u>Capital Projects Fund</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|----------------------|----------------------------------|--|---|
| ASSETS | | | | |
| Cash and short term investments | \$ 8,196,900 | \$ 70,409,643 | \$ 21,847,869 | \$ 100,454,412 |
| Investments | 8,980,889 | - | 1,164,655 | 10,145,544 |
| Escrows | 2,223,000 | - | - | 2,223,000 |
| Receivables, net of allowance for uncollectibles: | | | | |
| Property taxes | 1,766,830 | - | - | 1,766,830 |
| Departmental and other | 3,339,638 | - | 150,740 | 3,490,378 |
| Intergovernmental | - | 12,848,497 | 194,700 | 13,043,197 |
| Loans | - | - | 4,892,027 | 4,892,027 |
| Accrued interest | - | - | 1,385,224 | 1,385,224 |
| Due from other funds | 1,329,640 | - | - | 1,329,640 |
| Advances to other funds | 91,000 | - | - | 91,000 |
| Inventory | 318,032 | - | 369,609 | 687,641 |
| Prepaid expenditures | 290,353 | - | 224 | 290,577 |
| Other assets | 110,136 | - | - | 110,136 |
| TOTAL ASSETS | <u>\$ 26,646,418</u> | <u>\$ 83,258,140</u> | <u>\$ 30,005,048</u> | <u>\$ 139,909,606</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 1,594,951 | \$ 7,575,412 | \$ 677,199 | \$ 9,847,562 |
| Accrued liabilities | 1,347,869 | 37,089 | 75,016 | 1,459,974 |
| Unearned revenue | 2,845,907 | - | 9,492,267 | 12,338,174 |
| Notes payable | - | 20,840,000 | 2,500,000 | 23,340,000 |
| Due to other funds | - | - | 1,329,640 | 1,329,640 |
| Advances from other funds | - | 91,000 | - | 91,000 |
| Insurance reserve | 1,071,562 | - | - | 1,071,562 |
| Other liabilities | 77,478 | 133,934 | 19,288 | 230,700 |
| TOTAL LIABILITIES | 6,937,767 | 28,677,435 | 14,093,410 | 49,708,612 |
| Deferred Inflows of Resources: | | | | |
| Unavailable revenues | 2,152,236 | 9,720,172 | 6,277,361 | 18,149,769 |
| Fund Balances: | | | | |
| Nonspendable | 699,385 | - | 1,591,248 | 2,290,633 |
| Restricted | 1,788,355 | 53,486,856 | 11,087,194 | 66,362,405 |
| Committed | 738,507 | - | 865,288 | 1,603,795 |
| Assigned | 7,799,673 | - | - | 7,799,673 |
| Unassigned | 6,530,495 | (8,626,323) | (3,909,453) | (6,005,281) |
| TOTAL FUND BALANCES | <u>17,556,415</u> | <u>44,860,533</u> | <u>9,634,277</u> | <u>72,051,225</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | <u>\$ 26,646,418</u> | <u>\$ 83,258,140</u> | <u>\$ 30,005,048</u> | <u>\$ 139,909,606</u> |

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, 2023

| | |
|--|------------------------------|
| Total governmental fund balances | \$ 72,051,225 |
| • Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 209,851,961 |
| • Revenues are reported on the accrual basis of accounting and are not deferred until collection. | 18,149,770 |
| • Deferred outflows and inflows of resources related to pension and OPEB are applicable to future periods and, therefore, are not reported in the funds. | |
| Deferred outflows of resources related to pension | 24,526,848 |
| Deferred inflows of resources related to pension | (265,625) |
| Deferred outflows of resources related to OPEB | 639,998 |
| Deferred inflows of resources related to OPEB | (1,716,441) |
| • Long-term 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 | (122,302,850) |
| Equipment notes payable | (4,511,182) |
| Compensated absences liability | (2,690,960) |
| Insurance reserves, long-term | (253,857) |
| Total other post-employment benefits payable | (4,247,046) |
| Net pension liability | (78,070,840) |
| Accrued interest on long-term obligations | <u>(863,490)</u> |
| Net position of governmental activities | \$ <u>110,297,511</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, 2023

| | <u>General</u> | <u>Capital Projects Fund</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|----------------|----------------------------------|--|---|
| Revenues: | | | | |
| Taxes | \$ 44,161,597 | \$ 4,402,051 | \$ 5,745,484 | \$ 54,309,132 |
| Payments in lieu of taxes | 1,695,326 | - | - | 1,695,326 |
| Licenses and permits | 4,184,267 | 370,277 | 158,676 | 4,713,220 |
| Intergovernmental | 3,596,059 | 16,066,004 | 9,011,522 | 28,673,585 |
| Charges for services | 18,414,764 | - | 5,619,691 | 24,034,455 |
| Contributions | 912,503 | 699,958 | 338,528 | 1,950,989 |
| Investment income (loss) | 1,027,038 | 649,120 | (18,807) | 1,657,351 |
| Loan repayments | - | - | 27,959 | 27,959 |
| Other | 349,074 | 884,814 | 797,105 | 2,030,993 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Revenues | 74,340,628 | 23,072,224 | 21,680,158 | 119,093,010 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 18,480,901 | - | 3,206,054 | 21,686,955 |
| Public safety | 33,389,941 | - | - | 33,389,941 |
| Public works | 5,451,832 | - | 4,475,907 | 9,927,739 |
| Culture and recreation | 14,309,499 | - | - | 14,309,499 |
| Community development | 1,081,422 | - | 6,959,051 | 8,040,473 |
| Capital outlay | 538,733 | 39,583,612 | 2,114,783 | 42,237,128 |
| Debt service: | | | | |
| Principal | 4,922,831 | - | 2,287,585 | 7,210,416 |
| Interest and bond issue costs | 2,945,938 | 195,170 | 1,587,069 | 4,728,177 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Expenditures | 81,121,097 | 39,778,782 | 20,630,449 | 141,530,328 |
| Excess (deficiency) of revenues over (under) expenditures | (6,780,469) | (16,706,558) | 1,049,709 | (22,437,318) |
| Other Financing Sources (Uses): | | | | |
| Sale of capital asset | 152,270 | 80,528 | - | 232,798 |
| Issuance of bonds | - | 44,885,000 | 750,000 | 45,635,000 |
| Bond premium | 2,114,542 | 4,376,971 | - | 6,491,513 |
| Transfers in | 4,790,963 | 3,619,225 | 1,927,252 | 10,337,440 |
| Transfers out | (4,848,533) | - | (2,433,561) | (7,282,094) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Other Financing Sources (Uses) | 2,209,242 | 52,961,724 | 243,691 | 55,414,657 |
| Net change in fund balances | (4,571,227) | 36,255,166 | 1,293,400 | 32,977,339 |
| Fund Balances, at Beginning of Year | <hr/> | <hr/> | <hr/> | <hr/> |
| Fund Balances, at End of Year | \$ 17,556,415 | \$ 44,860,533 | \$ 9,634,277 | \$ 72,051,225 |

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, 2023

| | | | | | | | | | | | | | | | | | | | | | |
|--|----------------------------|--------------------------|------------|--------------|-------------|--|----------|-------------------|--------------|--------------------|-----------|--|-------------|--|-------------|---------------------------------------|-----------|--|----------|------------------------------|---------------|
| Net Changes in Fund Balances - Total Governmental Funds | \$ 32,977,339 | | | | | | | | | | | | | | | | | | | | |
| <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: 80%;">Capital outlay purchases</td> <td style="text-align: right;">25,939,958</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">(7,660,842)</td> </tr> <tr> <td>Effect from disposal of capital assets</td> <td style="text-align: right;">(97,976)</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. 7,147,534 • The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the 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: 80%;">Issuance of bonds</td> <td style="text-align: right;">(45,635,000)</td> </tr> <tr> <td>Repayments of debt</td> <td style="text-align: right;">7,062,857</td> </tr> <tr> <td>Bond premium activity, net of amortization</td> <td style="text-align: right;">(6,071,679)</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. (381,651) • 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: 80%;">Increase in pension expense from GASB 68</td> <td style="text-align: right;">(4,236,358)</td> </tr> <tr> <td>Increase in OPEB expense from GASB 75</td> <td style="text-align: right;">(197,053)</td> </tr> <tr> <td>Change in compensated absences liability</td> <td style="text-align: right;">(85,171)</td> </tr> <tr> <td>Change in insurance reserves</td> <td style="text-align: right;"><u>44,775</u></td> </tr> </table> | | Capital outlay purchases | 25,939,958 | Depreciation | (7,660,842) | Effect from disposal of capital assets | (97,976) | Issuance of bonds | (45,635,000) | Repayments of debt | 7,062,857 | Bond premium activity, net of amortization | (6,071,679) | Increase in pension expense from GASB 68 | (4,236,358) | Increase in OPEB expense from GASB 75 | (197,053) | Change in compensated absences liability | (85,171) | Change in insurance reserves | <u>44,775</u> |
| Capital outlay purchases | 25,939,958 | | | | | | | | | | | | | | | | | | | | |
| Depreciation | (7,660,842) | | | | | | | | | | | | | | | | | | | | |
| Effect from disposal of capital assets | (97,976) | | | | | | | | | | | | | | | | | | | | |
| Issuance of bonds | (45,635,000) | | | | | | | | | | | | | | | | | | | | |
| Repayments of debt | 7,062,857 | | | | | | | | | | | | | | | | | | | | |
| Bond premium activity, net of amortization | (6,071,679) | | | | | | | | | | | | | | | | | | | | |
| Increase in pension expense from GASB 68 | (4,236,358) | | | | | | | | | | | | | | | | | | | | |
| Increase in OPEB expense from GASB 75 | (197,053) | | | | | | | | | | | | | | | | | | | | |
| Change in compensated absences liability | (85,171) | | | | | | | | | | | | | | | | | | | | |
| Change in insurance reserves | <u>44,775</u> | | | | | | | | | | | | | | | | | | | | |
| Change in Net Position of Governmental Activities | \$ <u>8,806,733</u> | | | | | | | | | | | | | | | | | | | | |

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

CITY OF BURLINGTON, VERMONT

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2023

| | Business-Type Activities Enterprise Funds | | | | Total |
|--|--|-----------------------|----------------------|---------------------------------|-----------------------|
| | <u>Electric</u> | <u>Airport</u> | <u>Wastewater</u> | Nonmajor Enterprise Funds | |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| ASSETS: | | | | | |
| Current: | | | | | |
| Cash and cash equivalents | \$ 8,840,234 | \$ 9,991,410 | \$ 4,351,075 | \$ 6,767,666 | \$ 29,950,385 |
| Restricted investments | 798,539 | - | - | - | 798,539 |
| Escrows | - | - | 22,400 | 60,000 | 82,400 |
| Receivables, net of allowance for uncollectibles: | | | | | |
| User fees | 6,696,166 | 1,136,986 | 1,788,186 | 2,141,767 | 11,763,105 |
| Intergovernmental | - | 9,239,304 | 1,410,308 | 1,771,366 | 12,420,978 |
| Passenger facility charges | - | 496,204 | - | - | 496,204 |
| Loans | - | 86,344 | - | - | 86,344 |
| Leases | - | 3,176,842 | - | - | 3,176,842 |
| Inventory | 7,390,327 | 401,846 | 202,509 | 480,377 | 8,475,059 |
| Prepaid expenses | - | 115,042 | 675 | 5,252 | 120,969 |
| Other current assets | 1,531,079 | - | - | - | 1,531,079 |
| Total current assets | 25,256,345 | 24,643,978 | 7,775,153 | 11,226,428 | 68,901,904 |
| Noncurrent: | | | | | |
| Restricted cash and short-term investments | - | 20,079,959 | 1,433,365 | 941,480 | 22,454,804 |
| Restricted investments | 20,368,135 | - | - | - | 20,368,135 |
| Loans receivable, net of current portion | - | 180,645 | - | - | 180,645 |
| Leases receivable, net of current portion | - | 13,421,347 | - | - | 13,421,347 |
| Equity interests in associated companies | 35,301,336 | - | - | - | 35,301,336 |
| Regulatory assets | 6,061,013 | - | - | - | 6,061,013 |
| Renewable Energy Standard inventory | 1,846,257 | - | - | - | 1,846,257 |
| Other noncurrent assets | - | - | - | - | - |
| Capital assets: | | | | | |
| Land and construction in progress | 5,096,041 | 84,551,567 | 3,923,822 | 3,601,508 | 97,172,938 |
| Capital assets, net of accumulated depreciation | 91,702,008 | 134,241,570 | 22,155,518 | 19,806,683 | 267,905,779 |
| Total noncurrent assets | 160,374,790 | 252,475,088 | 27,512,705 | 24,349,671 | 464,712,254 |
| TOTAL ASSETS | 185,631,135 | 277,119,066 | 35,287,858 | 35,576,099 | 533,614,158 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Related to pension | 6,224,886 | 794,409 | 355,803 | 589,873 | 7,964,971 |
| Related to OPEB | 183,601 | 68,925 | 24,608 | 61,913 | 339,047 |
| Loss on advanced refunding | 294,654 | - | - | - | 294,654 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 6,703,141 | 863,334 | 380,411 | 651,786 | 8,598,672 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 192,334,276 | \$ 277,982,400 | \$ 35,668,269 | \$ 36,227,885 | \$ 542,212,830 |

(continued)

CITY OF BURLINGTON, VERMONT

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2023

(continued)

| | Business-Type Activities Enterprise Funds | | | | Total |
|--|--|-----------------------|----------------------|---------------------------------|-----------------------|
| | Electric | Airport | Wastewater | Nonmajor Enterprise Funds | |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | | | | | |
| LIABILITIES: | | | | | |
| Current: | | | | | |
| Accounts payable | \$ 3,016,183 | \$ 3,297,136 | \$ 618,990 | \$ 857,066 | \$ 7,789,375 |
| Accrued liabilities | - | 59,977 | 24,516 | 53,509 | 138,002 |
| Accrued interest | - | 561,296 | - | - | 561,296 |
| Unearned revenue | - | 693,123 | - | - | 693,123 |
| Notes payable | - | 1,401,866 | 4,330,798 | 2,633,103 | 8,365,767 |
| Other current liabilities | 1,750,824 | 2,597 | - | 94,808 | 1,848,229 |
| Payable from restricted assets: | | | | | |
| Deposits with bond trustees | 798,539 | - | - | - | 798,539 |
| Current portion of long-term liabilities: | | | | | |
| Bonds and loans payable | 5,760,000 | 2,928,323 | 1,127,163 | 357,326 | 10,172,812 |
| Equipment notes payable | 314,118 | 566,277 | 49,206 | 120,584 | 1,050,185 |
| Lease payable | - | 193,580 | - | - | 193,580 |
| Compensated absences liability | - | 307,770 | 138,195 | 202,960 | 648,925 |
| Total current liabilities | 11,639,664 | 10,011,945 | 6,288,868 | 4,319,356 | 32,259,833 |
| Noncurrent, net of current portion: | | | | | |
| Bonds and loans payable | 82,746,617 | 23,360,599 | 12,073,543 | 6,823,093 | 125,003,852 |
| Equipment notes payable | 1,383,885 | 1,371,169 | 130,803 | 235,547 | 3,121,404 |
| Lease payable | - | 1,311,256 | - | - | 1,311,256 |
| Net pension liability | 21,677,516 | 2,719,717 | 1,164,406 | 1,686,558 | 27,248,197 |
| Total OPEB liability | 944,849 | 222,159 | 97,891 | 137,374 | 1,402,273 |
| Compensated absences liability | 1,166,750 | - | - | - | 1,166,750 |
| Total noncurrent liabilities | 107,919,617 | 28,984,900 | 13,466,643 | 8,882,572 | 159,253,732 |
| TOTAL LIABILITIES | 119,559,281 | 38,996,845 | 19,755,511 | 13,201,928 | 191,513,565 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Regulatory deferral | 6,722,125 | - | - | - | 6,722,125 |
| Related to pension | 696,361 | 34,802 | 11,584 | 1,673 | 744,420 |
| Related to OPEB | 544,782 | 84,363 | 37,173 | 52,167 | 718,485 |
| Related to leases | - | 16,072,176 | - | - | 16,072,176 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 7,963,268 | 16,191,341 | 48,757 | 53,840 | 24,257,206 |
| NET POSITION: | | | | | |
| Net investment in capital assets | 45,408,157 | 184,364,173 | 10,087,367 | 13,298,538 | 253,158,235 |
| Restricted: | | | | | |
| For debt service/renewal and replacements/capital projects | - | 20,079,960 | - | 941,480 | 21,021,440 |
| For contingency reserve | - | - | 1,433,365 | - | 1,433,365 |
| Deposits with bond trustees | 6,475,757 | - | - | - | 6,475,757 |
| Unrestricted | 12,927,813 | 18,350,081 | 4,343,269 | 8,732,099 | 44,353,262 |
| TOTAL NET POSITION | 64,811,727 | 222,794,214 | 15,864,001 | 22,972,117 | 326,442,059 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | \$ 192,334,276 | \$ 277,982,400 | \$ 35,668,269 | \$ 36,227,885 | \$ 542,212,830 |

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

CITY OF BURLINGTON, VERMONT

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2023

| | Business-Type Activities | | | | Total |
|---|--------------------------|----------------|---------------|---------------------------------|----------------|
| | Enterprise Funds | | | | |
| | Electric | Airport | Wastewater | Nonmajor Enterprise Funds | |
| Operating Revenues: | | | | | |
| Charges for services | \$ 62,816,612 | \$ 22,430,301 | \$ 9,102,060 | \$ 9,314,270 | \$ 103,663,243 |
| Intergovernmental | - | 160,600 | - | - | 160,600 |
| Miscellaneous | - | - | - | 958,330 | 958,330 |
| Total Operating Revenues | 62,816,612 | 22,590,901 | 9,102,060 | 10,272,600 | 104,782,173 |
| Operating Expenses: | | | | | |
| Personnel | - | 4,898,709 | 1,811,815 | 3,787,963 | 10,498,487 |
| Nonpersonnel | - | 13,128,698 | 3,786,505 | 3,674,926 | 20,590,129 |
| Purchased power and other costs | 54,928,675 | - | - | - | 54,928,675 |
| Depreciation and amortization | 6,176,061 | 6,839,193 | 1,201,859 | 1,076,659 | 15,293,772 |
| Total Operating Expenses | 61,104,736 | 24,866,600 | 6,800,179 | 8,539,548 | 101,311,063 |
| Operating Income (Loss) | 1,711,876 | (2,275,699) | 2,301,881 | 1,733,052 | 3,471,110 |
| Nonoperating Revenues (Expenses): | | | | | |
| Dividends from associated companies | 4,399,511 | - | - | - | 4,399,511 |
| Passenger facility charges | - | 2,572,840 | - | - | 2,572,840 |
| Intergovernmental revenue | - | 2,489,030 | 16,769 | 375,489 | 2,881,288 |
| Investment income (loss) | 551,831 | 288,201 | 58,124 | 36,190 | 934,346 |
| Other income (loss) | (59,202) | 312,857 | (43,480) | 248,403 | 458,578 |
| Interest expense | (3,450,296) | (1,246,874) | (462,519) | (327,280) | (5,486,969) |
| Loss on disposal of capital assets | (116,431) | (4,767) | (31,736) | (110,998) | (263,932) |
| Total Nonoperating Revenues (Expenses), net | 1,325,413 | 4,411,287 | (462,842) | 221,804 | 5,495,662 |
| Income Before Contributions and Other Items | 3,037,289 | 2,135,588 | 1,839,039 | 1,954,856 | 8,966,772 |
| Capital contributions | 735,644 | 8,771,301 | 158,703 | - | 9,665,648 |
| Transfers out | (2,133,939) | - | (464,770) | (456,637) | (3,055,346) |
| Change in Net Position | 1,638,994 | 10,906,889 | 1,532,972 | 1,498,219 | 15,577,074 |
| Net Position, at Beginning of Year, as reclassified | 63,172,733 | 211,887,325 | 14,331,029 | 21,473,898 | 310,864,985 |
| Net Position, at End of Year | \$ 64,811,727 | \$ 222,794,214 | \$ 15,864,001 | \$ 22,972,117 | \$ 326,442,059 |

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, 2023

| | Electric | Airport | Wastewater | Nonmajor Enterprise Funds | Total |
|--|---------------|---------------|--------------|---------------------------------|----------------|
| Cash Flows From Operating Activities: | | | | | |
| Receipts from customers and users | \$ 63,171,360 | \$ 22,372,756 | \$ 9,018,102 | \$ 10,074,965 | \$ 104,637,183 |
| Receipts of operating grants | - | 160,600 | - | - | 160,600 |
| Payments for power and other costs | (60,670,981) | - | - | - | (60,670,981) |
| Payments to suppliers | - | (13,097,637) | (3,874,256) | (3,757,774) | (20,729,667) |
| Payments for wages and benefits | - | (4,639,727) | (1,765,228) | (3,637,116) | (10,042,071) |
| Other payments | - | (1,872) | (75,215) | - | (77,087) |
| Other receipts | (44,206) | - | - | 138,850 | 94,644 |
| Net Cash Provided by Operating Activities | 2,456,173 | 4,794,120 | 3,303,403 | 2,818,925 | 13,372,621 |
| Cash Flows From Noncapital Financing Activities: | | | | | |
| Payment in lieu of taxes | (2,133,939) | - | (464,770) | (456,637) | (3,055,346) |
| Energy efficiency utility | (14,996) | - | - | - | (14,996) |
| Intergovernmental revenues | - | 3,690,756 | 16,769 | - | 3,707,525 |
| Loan payments from BCDC | - | 83,795 | - | - | 83,795 |
| Transfers in | - | - | - | (34,678) | (34,678) |
| Net Cash Provided by (Used for) Noncapital Financing Activities | (2,148,935) | 3,774,551 | (448,001) | (491,315) | 686,300 |
| Cash Flows From Capital and Related Financing Activities: | | | | | |
| Acquisition and construction of capital assets | (8,127,820) | (11,418,633) | (1,914,697) | (3,907,481) | (25,368,631) |
| Proceeds from bonds and loans | 2,650,000 | - | - | - | 2,650,000 |
| Proceeds from bond premium | 632,902 | - | - | - | 632,902 |
| Capital grants/contributions | 735,644 | 9,623,976 | 158,703 | - | 10,518,323 |
| Passenger facility charges | - | 2,325,022 | - | - | 2,325,022 |
| COVID grants | - | - | - | 375,489 | 375,489 |
| Drawdowns on notes and loans | - | 1,401,866 | 1,758,903 | 324,344 | 3,485,113 |
| Repayment of notes and loans | - | (2,541,057) | - | - | (2,541,057) |
| Release of escrow | - | - | 171,767 | 4,722 | 176,489 |
| Principal paid on: | | | | | |
| Bonds and loans | (5,425,000) | - | (1,119,421) | (300,562) | (6,844,983) |
| Notes | - | (618,131) | (41,866) | (122,399) | (782,396) |
| Leases | - | (191,472) | - | - | (191,472) |
| Interest paid on outstanding debt, including issue costs | (3,198,957) | (759,224) | (462,519) | (327,280) | (4,747,980) |
| Net Cash Used for Capital and Related Financing Activities | (12,733,231) | (2,177,653) | (1,449,130) | (3,953,167) | (20,313,181) |
| Cash Flows From Investing Activities: | | | | | |
| Withdrawal of investments | 1,120,160 | - | - | 8,214 | 1,128,374 |
| Investment income | 4,878,610 | 288,201 | 58,124 | 27,976 | 5,252,911 |
| Proceeds from deposits with Bond Trustees | 3,644,451 | - | - | - | 3,644,451 |
| Purchase of equity interest in associated companies | (634,490) | - | - | - | (634,490) |
| Net Cash Provided by Investing Activities | 9,008,731 | 288,201 | 58,124 | 36,190 | 9,391,246 |
| Net Increase (Decrease) in Cash and Short Term Investments | (3,417,262) | 6,679,219 | 1,464,396 | (1,589,367) | 3,136,986 |
| Cash and short term investments at beginning of year | 12,257,496 | 23,392,150 | 4,320,044 | 9,298,513 | 49,268,203 |
| Cash and short term investments at end of year | \$ 8,840,234 | \$ 30,071,369 | \$ 5,784,440 | \$ 7,709,146 | \$ 52,405,189 |

(continued)

CITY OF BURLINGTON, VERMONT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2023

(continued)

| | Electric | Airport | Wastewater | Nonmajor Enterprise Funds | Total |
|---|---------------------|---------------------|---------------------|---------------------------------|----------------------|
| Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities: | | | | | |
| Operating income/(loss) | \$ 1,711,876 | \$ (2,275,699) | \$ 2,301,881 | \$ 1,733,052 | \$ 3,471,110 |
| Depreciation and amortization* | 6,176,138 | 6,839,193 | 1,201,859 | 1,076,659 | 15,293,849 |
| Other receipts | (44,206) | (1,872) | (75,215) | 138,850 | 17,557 |
| Changes in assets, liabilities, and deferred outflows/inflows: | | | | | |
| (Increase)/decrease in receivables | 213,771 | 3,590,281 | (83,958) | (251,207) | 3,468,887 |
| (Increase)/decrease in inventory | (1,291,923) | (59,799) | (47,111) | (102,393) | (1,501,226) |
| (Increase)/decrease in prepaids | - | 60,925 | (553) | (1,238) | 59,134 |
| (Increase)/decrease in deferred outflows | (2,998,369) | (301,130) | (167,805) | (239,424) | (3,706,728) |
| Increase/(decrease) in accounts payable | (1,848,241) | 29,935 | (40,087) | 20,783 | (1,837,610) |
| Increase/(decrease) in accrued liabilities | - | 26,349 | 9,196 | 19,776 | 55,321 |
| Increase/(decrease) in net pension liability | 10,071,328 | 1,237,407 | 541,743 | 824,625 | 12,675,103 |
| Increase/(decrease) in total OPEB liability | 35,013 | 8,232 | 3,627 | 5,090 | 51,962 |
| Increase/(decrease) in compensated absences | 23,424 | (23,509) | (5,459) | (31,224) | (36,768) |
| Increase/(decrease) in unearned revenue liability | - | (352,294) | - | - | (352,294) |
| Increase/(decrease) in other operating assets/liabilities | (3,843,041) | - | - | 55,089 | (3,787,952) |
| Increase/(decrease) in deferred inflows | (5,749,597) | (3,983,899) | (334,715) | (429,513) | (10,497,724) |
| Net Cash Provided by Operating Activities | <u>\$ 2,456,173</u> | <u>\$ 4,794,120</u> | <u>\$ 3,303,403</u> | <u>\$ 2,818,925</u> | <u>\$ 13,372,621</u> |

* Electric depreciation and amortization includes change in deferred depreciation reported in other noncurrent assets.

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

CITY OF BURLINGTON, VERMONT
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2023

| | Pension Trust <u>Fund</u> | Private Purpose Trust <u>Fund</u> | Custodial <u>Fund</u> |
|---|---------------------------------|--|--------------------------|
| ASSETS | | | |
| Current: | | | |
| Cash and short term investments | \$ 2,442,671 | \$ 38,582 | \$ 1,798,023 |
| Investments: | | | |
| Mutual funds | 210,632,667 | - | - |
| Limited partnerships | 10,717,458 | - | - |
| Accounts receivable | - | - | 279,158 |
| TOTAL ASSETS | \$ 223,792,796 | \$ 38,582 | \$ 2,077,181 |
| LIABILITIES AND NET POSITION | | | |
| LIABILITIES | | | |
| Current: | | | |
| Accounts payable | \$ 65,067 | \$ - | \$ 176,636 |
| Gross revenue taxes payable | - | - | 4,995 |
| Fuel taxes payable | - | - | 770 |
| Accrued liabilities | 669 | - | - |
| Current portion of long-term liabilities: | | | |
| Note payable | 53,691 | - | - |
| Total current liabilities | 119,427 | - | 182,401 |
| Noncurrent, net of current portion: | | | |
| Note payable | 19,130 | - | - |
| Total Liabilities | 138,557 | - | 182,401 |
| NET POSITION | | | |
| Restricted for pension | 223,654,239 | - | - |
| Restricted for individuals and organizations | - | 38,582 | - |
| Restricted for energy efficiency utility programs | - | - | 1,894,780 |
| Total Net Position | 223,654,239 | 38,582 | 1,894,780 |
| TOTAL LIABILITIES AND NET POSITION | \$ 223,792,796 | \$ 38,582 | \$ 2,077,181 |

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, 2023

| | Pension Trust <u>Fund</u> | Private Purpose Trust <u>Fund</u> | Custodial <u>Fund</u> |
|--|---------------------------------|--|--------------------------|
| Additions: | | | |
| Contributions: | | | |
| Employer - pension | \$ 11,254,693 | \$ - | \$ - |
| Plan members | <u>4,051,745</u> | <u>-</u> | <u>-</u> |
| Total Contributions | 15,306,438 | - | - |
| Investment earnings: | | | |
| Investment income | 7,335,567 | 193 | - |
| Net decrease in the fair value of investments | <u>14,111,938</u> | <u>-</u> | <u>-</u> |
| Total Investment Earnings (Loss) | 21,447,505 | 193 | - |
| Less: Investment Expenses | <u>(209,635)</u> | <u>-</u> | <u>-</u> |
| Net Investment Earnings (Loss) | 21,237,870 | 193 | - |
| EEC collections from customers | - | - | 2,083,026 |
| Forward Capacity Market | - | - | 324,712 |
| Regional Greenhouse Gas Initiative | - | - | 326,289 |
| Weatherization Repayment Assistance Program Admin Fees | <u>-</u> | <u>-</u> | <u>12,000</u> |
| Total Additions | 36,544,308 | 193 | 2,746,027 |
| Deductions: | | | |
| Benefits - pension | 21,407,121 | - | - |
| Administrative expenses | 722,867 | - | - |
| Depreciation | 184,884 | - | - |
| Payments for programs | - | - | 4,229,227 |
| Payments for administration | - | - | 277,840 |
| EEC uncollectible return | - | - | 8,263 |
| Gross revenue taxes | - | - | 10,936 |
| Fuel taxes | <u>-</u> | <u>-</u> | <u>10,415</u> |
| Total Deductions | <u>22,314,872</u> | <u>-</u> | <u>4,536,681</u> |
| Change in net position | 14,229,436 | 193 | (1,790,654) |
| Net position restricted for pension and other purposes: | | | |
| Beginning of year | <u>209,424,803</u> | <u>38,389</u> | <u>3,685,434</u> |
| End of year | <u>\$ 223,654,239</u> | <u>\$ 38,582</u> | <u>\$ 1,894,780</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, Vermont (the City) 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 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 debt of the School District. The City Council can override the School District's decisions concerning the debt that the City issues on behalf of the School District.

Burlington School District (the School District) – the School District'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. Nonoperating 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 evidence of indebtedness and related costs.

The City reports on the following major governmental funds:

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.

Capital Projects Fund – This fund accounts for resources obtained and expended for the acquisition of major capital facilities or equipment.

The City reports on the following major enterprise funds:

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

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

Wastewater Fund - The 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 its 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 Fund – This fund is 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.

Custodial Fund – Effective January 1, 2020, Electric Department began to function as a fiscal agent and fund administrator under 30 V.S.A Section 209(d)(3) for Vermont Energy Efficiency Utility (EEU) and Thermal Energy and Process Fuels (TEPF) 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 leases are reported as other financing sources in governmental funds.

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 is both restricted and unrestricted net position available to finance the program. It is the City’s policy to first apply cost-reimbursement grant resources to such programs, followed by 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 inflows is recognized for all loans receivable. Loan repayment revenue is recognized as the loans are repaid.

The City Council appoints the Commissioners of the Electric Department. The Electric 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 Electric Department records certain assets and liabilities in accordance with the economic effects of the rate making process.

E. Cash and Short-Term Investments

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 financial statements under the caption "cash and short-term investments".

For purpose of the Statement of Cash Flows, the proprietary funds consider investments with maturities of one year or less to be short-term investments.

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 net asset value (NAV). The NAV per share is the amount of net assets attributable to each share outstanding at the close of the period. Investments measured using NAV for fair value are not subject to level classification.

G. Leases

Effective July 1, 2021, the City implemented a new standard, GASB Statement Number 87, *Leases*.

City as a Lessor: The City recognizes a lease receivable and a related deferred inflow of resources. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term on a straight-line basis over its useful life. The following key assumptions are made:

The City uses its estimated incremental borrowing rate as the discount rate for leases when the interest rate is not explicitly stated.

The lease term includes the noncancellable period of the lease, including renewal terms reasonably certain to be exercised. Lease receipts included in the measurement of the lease receivable are comprised of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease receivable and will remeasure the lease receivable if certain changes occur that are expected to significantly affect the amount of the lease receivable.

City as a Lessee: At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. The following assumptions are made:

The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged is not provided, the City uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease, including renewal terms reasonably certain to be exercised. Lease payments included in the measurement of the lease liability are comprised of fixed payments and purchase option price, if the City is reasonably certain that it will be exercised.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

H. 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 noncurrent 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.”

I. Jointly Owned Facilities

The Electric Department has recorded its 50% ownership interest in the McNeil Generating Station as capital assets. 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.

J. 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, 2023, the Department purchased 27,918 Class A Units and 35,531 Class B Units in Transco for a cost of \$634,490.

Schedule of ownership in associated companies at June 30, 2023:

| | |
|--------------------------------|----------------------|
| 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 | 14,892,751 |
| VT Transco, LLC, B Units | <u>18,954,389</u> |
| | <u>\$ 35,301,336</u> |

K. Inventory and Prepaid Items

Inventory is 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.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

L. Capital Assets

City

Capital assets, which include property, plant, equipment, land improvements, buildings and improvements, infrastructure, and right to use assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements, as well as proprietary and fiduciary fund financial statements. Depreciable capital assets are defined by the City 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.

Property, plant, and equipment are depreciated/amortized 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 |
| Right to Use Vehicles, Machinery and Equipment | 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 Regulatory Deferred Inflows of Resources.

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 plant | 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 acquisition 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 acquisition 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 and improvements | \$ 5,000 | 20-50 years |
| Machinery and Equipment | 5,000 | 3-50 years |
| Vehicles | 5,000 | 3-25 years |

M. 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 England 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 statutes 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 Airport (and leases space on the parking garage roof under a long-term agreement between the Department and the 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, the City 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 2023.

The Department purchases Vermont Tier I RECs to replace the New England Class I RECs that are sold in the market to maintain its ability to claim 100% renewability.

For the fiscal year ended June 30, 2023, REC revenue for McNeil, wind resources, the Winooski One hydro facility, and the solar arrays were \$3,570,994, \$3,017,739, \$696,658, and \$184,939, respectively.

N. 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 the 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, 2023.

The Electric Department faces possible liability with respect to the J. Edward Moran Electric Generation Station ("Moran Station"). The Moran Station is a decommissioned coal-fired power plant that was controlled and operated by the Department from 1954 until 1990 when the Department entered into a memorandum of understanding ("MOU") with the City of Burlington transferring responsibility for the Moran Station to the City. The MOU transferred the Moran Station to the City in "as is" condition and held the Department harmless for any and all future liability and or responsibility for such Moran Station and property, excluding environmental remediation (if any) which shall be required in the future by a state or federal environmental regulatory agency, for conditions existing before the transfer. In 2009 the City conducted an assessment of activities at the Moran Station site and was engaged in a corrective action plan with the Vermont Department of Environmental Conservation. The City and the Department entered into a letter of agreement in December 2009 where it was agreed that the Department shall make a \$100,000 payment to the City as settlement of the Department's liability for any and all environmental remediation costs associated with known environmental contamination at the Moran Station. In September 2019, the City began the efforts of creating a Site Resolution Plan and in February 2020, the City Council authorized the Mayor to execute a settlement agreement between the City and the Department to compensate the City for the costs of abating/remediating contaminants that had been identified at that time as requiring such abatement. In June 2022, the Department entered into a new MOU with the City of Burlington that calls for the Department to make a contribution of \$950,715 in eight equal installments with an annual interest rate of 1%.

O. Compensated Absences

It is the City'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 and proprietary 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.

P. Liabilities to be Paid from Restricted Assets

The balance in these liabilities represents accrued interest payable on 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.

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 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, long-term advances to other funds 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 projects fund, these funds are restricted for projects financed by bonds. In the case of permanent fund, it represents the income portion of trust funds.
- 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 approval 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, consists 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 use either through 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 GAAP 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 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 depart-

ment. 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 the 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 Over Expenditures

The mayor, clerk treasurer, fire, police departments and capital outlay overspent their budget by \$18,516, \$66,742, \$158,326, \$377,727 and \$9,623, respectively. The fire department had offsetting revenues that exceeded budget to cover the expenditures.

D. Deficit Fund Equity

Certain individual funds reflected unassigned fund balance deficits as of June 30, 2023. 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

A. Custodial Credit Risk - Deposits

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. The City’s deposits were insured or collateralized as of June 30, 2023.

B. Investment Summary

The following is a summary of the City’s investments as of June 30, 2023:

| <u>Investment Type</u> | <u>Amount</u> |
|--|----------------------|
| Municipal bonds | \$ 756,670 |
| Federal agencies | 7,072,165 |
| Market-linked certificates of deposits | 2,256,400 |
| Other investments | <u>60,309</u> |
| Total investments | <u>\$ 10,145,544</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 investments in municipal

bonds were rated Aa3 by Moody’s at June 30, 2023. Market-linked certificates of deposits were unrated at June 30, 2023.

D. Concentration of Credit Risk

The City places no limit on the amount the City may invest in any one issuer. At June 30, 2023, the City’s investments each represented under 5% of City’s 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 based on type of security as a means of managing its exposure to fair value losses arising from increasing interest rates. Per the policy, investments remain sufficiently liquid to enable the City to meet its cash flow requirements. The City categorizes investments with maturities of one year or less as short-term investments. As of June 30, 2023, the maturities of the City’s long-term investments were as follows:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Maturity in Years</u> | |
|---------------------------------------|----------------------|--------------------------|-------------|
| | | <u>1-5</u> | <u>6-10</u> |
| Municipal bonds | \$ 756,670 | \$ 756,670 | \$ - |
| Federal agencies | 7,072,165 | 7,072,165 | - |
| Market-linked certificates of deposit | 2,256,400 | 2,256,400 | - |
| Total investments | <u>\$ 10,085,235</u> | <u>\$ 10,085,235</u> | <u>\$ -</u> |

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 measurements 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: | | | | |
| Municipal bonds | \$ 756,670 | \$ - | \$ 756,670 | \$ - |
| Federal agencies | 7,072,165 | - | 7,072,165 | - |
| Market-linked certificates of deposit | 2,256,400 | - | 2,256,400 | - |
| Other investments | <u>60,309</u> | <u>-</u> | <u>60,309</u> | <u>-</u> |
| Total | <u>\$ 10,145,544</u> | <u>\$ -</u> | <u>\$ 10,145,544</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 security’s relationship to benchmark quote prices. Level 2 debt securities have non-proprietary information that is readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

Burlington Electric Department

A. Custodial Credit Risk – Deposits

Except for the custodial fund deposits of \$1,798,023, the Department’s deposits at June 30, 2023 are insured or collateralized.

B. 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 25% 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 of this paragraph.

C. Concentration of Credit Risk

Concentration of credit risk of investments is the risk of loss attributable to the magnitude of an investment in a single issuer. The Electric Department's invested balance was primarily in U.S. Treasuries at June 30, 2023.

D. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments 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, 2023 (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, 2023 may be returned to the revenue fund. A summary of deposits with bond trustees at June 30, 2023 is as follows:

| | |
|------------------------------|----------------------|
| Bond funds: | |
| Construction fund | \$ 13,892,378 |
| Renewal and replacement fund | \$ 867,000 |
| Debt service fund | 2,830,095 |
| Debt service reserve fund | 3,538,787 |
| Accrued interest receivable | <u>38,414</u> |
| Total | \$ <u>21,166,674</u> |

E. Fair Value

All of the Electric Department’s investments as of June 30, 2023, 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, 2023, out of the School Districts deposits of \$27,377,856, \$115,366 were uninsured or uncollateralized.

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 (the 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. 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.

D. 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.

E. Fair Value

GASB 72 established 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 using 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 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 on 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 | \$ 18,110 | \$ 417,305 | N/A | (a) | N/A |
| Hamilton Lane Private Equity Offshore Fund VII Series A LP | 493,126 | 195,175 | N/A | (a) | N/A |
| Hamilton Lane Private Equity Offshore Fund VII Series B LP | 206,779 | 174,774 | N/A | (a) | N/A |
| Sustainable Woodlands Fund II LP | - | - | N/A | (a) | N/A |
| EB DV Non-SL Stock Index Fund | 76,625,265 | - | daily | | 1 day |
| Johnson Institutional Core Bond | 52,704,384 | - | daily | | 1 day |
| EB DL Smid Cap Stock Index Fund | 19,427,270 | - | daily | | 1 day |
| EB DV Non-SL International Stock Index Fund | 46,596,609 | - | daily | | 1 day |
| EB DV Non-SL Emerging Markets Stock Index Fund | 15,279,139 | - | weekly | | 2 days |
| USB Realty Investors LLC - Trumbull Prop | <u>9,999,443</u> | - | N/A | (a) | N/A |
| Total | \$ <u>221,350,125</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, 2023 consisted of the following:

| | |
|------------------------------------|---------------------|
| Property taxes: | |
| 2023 | \$ 853,965 |
| 2022 | 422,529 |
| 2021 | 303,740 |
| Prior years | 1,024,040 |
| Less: Allowance for doubtful taxes | <u>(837,444)</u> |
| Total | \$ <u>1,766,830</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 depending on the aging of the receivables. Water, wastewater, and stormwater delinquent receivables are lienied in a similar manner as property taxes, described in Note 4.

User fees receivable and the related allowance for doubtful accounts at June 30, 2023 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 | \$ 4,499,346 | \$ 2,336,080 | \$ (139,260) | \$ 6,696,166 |
| Airport | 1,144,830 | - | (7,844) | 1,136,986 |
| Wastewater | 1,154,398 | 636,788 | (3,000) | 1,788,186 |
| Nonmajor Enterprise Funds: | | | | |
| Water | 1,255,653 | 537,869 | (3,000) | 1,790,522 |
| Stormwater | <u>223,213</u> | <u>128,032</u> | <u>-</u> | <u>351,245</u> |
| Total | <u>\$ 8,277,440</u> | <u>\$ 3,638,769</u> | <u>\$ (153,104)</u> | <u>\$ 11,763,105</u> |

6. Departmental and Other Receivables

Departmental and other receivables represent the following receivables, net of allowance for doubtful accounts depending on the aging of the receivables:

| | <u>Gross</u> | <u>Allowance</u> <u>for Doubtful</u> <u>Accounts</u> | <u>Total</u> |
|---------------------------|---------------------|--|---------------------|
| Police tickets | \$ 1,758,543 | \$ (1,274,846) | \$ 483,697 |
| Local option sales tax | 767,865 | - | 767,865 |
| Ambulance | 795,240 | (177,436) | 617,804 |
| Church Street marketplace | 150,740 | - | 150,740 |
| Code enforcement | 368,148 | (42,801) | 325,347 |
| Equipment maintenance | 64,977 | - | 64,977 |
| Fire | 69,430 | (10,763) | 58,667 |
| Franchise fees | 263,869 | - | 263,869 |
| Gross receipts tax | 444,696 | - | 444,696 |
| Recycling | 86,462 | - | 86,462 |
| Other | <u>245,361</u> | <u>(19,107)</u> | <u>226,254</u> |
| Total | <u>\$ 5,015,331</u> | <u>\$ (1,524,953)</u> | <u>\$ 3,490,378</u> |

7. Intergovernmental Receivables

This balance represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal year 2023.

| | Governmental <u>Activities</u> | Business-Type <u>Activities</u> | <u>Total</u> |
|--|-----------------------------------|------------------------------------|----------------------|
| Community and economic development | \$ 194,700 | \$ - | \$ 194,700 |
| Capital project grants | 12,848,497 | - | 12,848,497 |
| Airport improvement program (AIP) grants | - | 8,436,927 | 8,436,927 |
| CARES and LEO grants | - | 802,377 | 802,377 |
| State Revolving Loan program | - | 3,181,674 | 3,181,674 |
| Total | <u>\$ 13,043,197</u> | <u>\$ 12,420,978</u> | <u>\$ 25,464,175</u> |

8. Loans Receivable

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 loans receivable related to Community and Economic Development Office (CEDO), Burlington Community Development Corporation (BCDC) and the Airport at June 30, 2023:

| | <u>Receivable</u> | Less: <u>Discount</u> | Less: <u>Allowance</u> | <u>Total</u> |
|--|----------------------|--------------------------|---------------------------|---------------------|
| CEDO: | | | | |
| HODAG loans | \$ 7,415,942 | \$ - | \$ (5,932,754) | \$ 1,483,188 |
| Housing and urban development programs: | | | | |
| HOME loans | 10,875,507 | (4,697,394) | (4,258,754) | 1,919,359 |
| Lead paint loans | 3,006,396 | (147,878) | (2,145,181) | 713,337 |
| Other CEDO loans | 314,806 | (73,289) | (90,404) | 151,113 |
| BCDC: | | | | |
| Relief loan from Champlain Housing Westlake Parking - \$72,000 annual payment at 7% interest with \$448,000 due on July 26, 2026 | 39,374 | - | - | 39,374 |
| | <u>585,656</u> | <u>-</u> | <u>-</u> | <u>585,656</u> |
| Governmental funds subtotal | 22,237,681 | (4,918,561) | (12,427,093) | 4,892,027 |
| Airport: | | | | |
| Aviation Support Hanger - annual payments of \$93,172 with an interest rate of 3%, maturing in June 2026 | 266,990 | - | - | 266,990 |
| Total loans receivable | <u>\$ 22,504,671</u> | <u>\$ (4,918,561)</u> | <u>\$ (12,427,093)</u> | <u>\$ 5,159,017</u> |

9. Leases Receivable

The Airport leases office, building, and ground space to various Airport related businesses, car rental companies, food and gift concessions, governmental agencies and others. The lease rates vary and are computed based upon square footage, percentages of gross revenues, and combinations of the two. Leases valued at more than \$1,000,000 are shown in more detail below.

The Airport entered into a 195-month lease as a lessor for the use of Airport - GSA - National Weather Service. An initial lease receivable was recorded in the amount of \$4,147,896. As of June 30, 2023, the value of the lease receivable was \$3,684,947. The lessee is required to make monthly fixed payments of \$23,648. The lease has an interest rate of 1.394%. The value of the deferred inflow of resources as of June 30, 2023 was \$3,638,343, and Airport recognized lease revenue of \$254,776 during the fiscal year. The Airport has 1 extension option for 60 months.

The Airport entered into a 114-month lease as lessor for the use of the Airport - BETA North Hangar. An initial lease receivable was recorded in the amount of \$1,852,847. As of June 30, 2023, the value of the lease receivable was \$1,766,037. The lessee is required to make monthly fixed payments of \$18,313. The lease has an interest rate of 1.170%. The value of the deferred inflow of resources as of June 30, 2023 was \$1,462,774, and the Airport recognized lease revenue of \$195,037 during the fiscal year.

The Airport entered into a 178-month lease as lessor for the use of the Airport Heritage Building 890. An initial lease receivable was recorded in the amount of \$2,723,276. As of June 30, 2023, the value of the lease receivable was \$2,384,658. The lessee is required to make monthly variable fixed in substance principal and interest payments of \$16,886. The lease has an interest rate of 1.362%. The value of the deferred inflow of resources as of June 30, 2023 was \$2,356,093, and the Airport recognized lease revenue of \$183,592 during the fiscal year. The lessee has 2 extension options, each for 60 months.

The Airport entered into a 60-month lease as lessor for the use of the Airport - Budget Rent-A-Car. An initial lease receivable was recorded in the amount of \$2,750,716. As of June 30, 2023, the value of the lease receivable was \$1,659,143. The lessee is required to make monthly fixed payments of \$46,498. The lease has an interest rate of 0.577%. The value of the deferred inflow of resources as of June 30, 2023 was \$1,650,429, and the Airport recognized lease revenue of \$550,143 during the fiscal year.

The Airport entered into a 60-month lease as lessor for the use of the Airport - Hertz Dollar. An initial lease receivable was recorded in the amount of \$2,730,920. As of June 30, 2023, the value of the lease receivable was \$1,647,203. The lessee is required to make monthly fixed payments of \$46,164. The lease has an interest rate of 0.577%. The value of the deferred inflow of resources as of June 30, 2023 was \$1,638,552, and the Airport recognized lease revenue of \$546,184 during the fiscal year.

The Airport entered into a 60-month lease as lessor for the use of the Airport - ELRAC Concession agreement. An initial lease receivable was recorded in the amount of \$2,791,297. As of June 30, 2023, the value of the lease receivable was \$1,683,621. The lessee is required to make monthly fixed payments of \$47,184. The lease has an interest rate of 0.577%. The value of the deferred inflow of resources as of June 30, 2023 was \$1,674,778, and the Airport recognized lease revenue of \$558,259 during the fiscal year.

The Airport entered into an 87-month lease as lessor for the use of the Airport - Hudson News. An initial lease receivable was recorded in the amount of \$1,735,179. As of June 30, 2023, the value of the lease receivable was \$1,289,535. The lessee is required to make monthly fixed payments of \$18,131. Additionally, there are monthly other reasonably certain payments of \$1,263. The lease has an interest rate of 0.833%. The value of the deferred inflow of resources as of June 30, 2023 was \$1,256,509, and the Airport recognized lease revenue of \$239,335 during the fiscal year.

The Airport has seventeen other leases ranging in length from 24 months to 154 months. As of June 30, 2023, the value of the individual lease receivables ranged from \$5,721 to \$542,231. The range of monthly fixed payments for this group of leases is \$637 to \$15,272. The range value of the deferred inflow of resources as of June 30, 2023 was \$5,246 to \$499,664, and Airport recognized lease revenues ranging from \$7,607 to \$182,093 for each lease during the fiscal year.

Regulated Leases

The Airport leases office, building and ground space to various airlines. These leases are excluded from lease receivables and related deferred inflows per GASB Statement No. 87, as these are regulated leases. Lease revenue for the year ending June 30, 2023 was \$1,310,474.

10. Interfund Accounts

Interfund receivable and payable accounts as of June 30, 2023 were as follows:

| <u>Fund</u> | <u>Due from Other Funds</u> | <u>Due to Other Funds</u> |
|-----------------------------------|---------------------------------|-------------------------------|
| General Fund | \$ 1,329,640 | \$ - |
| Nonmajor governmental funds: | | |
| Community development corporation | <u>-</u> | <u>1,329,640</u> |
| Total | <u>\$ 1,329,640</u> | <u>\$ 1,329,640</u> |

The composition of advances to/from other funds (amounts considered to be long-term) as of June 30, 2023 is as follows:

| <u>Fund</u> | <u>Advances to Other Funds</u> | <u>Advances from Other Funds</u> |
|------------------------------------|------------------------------------|--------------------------------------|
| General Fund | \$ 91,000 | \$ - |
| Capital Projects Fund (major fund) | <u>-</u> | <u>91,000</u> |
| Total | <u>\$ 91,000</u> | <u>\$ 91,000</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 a summary of interfund transfers made in fiscal year 2023:

| <u>Governmental Funds:</u> | <u>Transfers In</u> | <u>Transfers Out</u> |
|--------------------------------------|----------------------|----------------------|
| Major funds: | | |
| General Fund | \$ 4,790,963 | \$ 4,848,533 |
| Capital Projects fund | 3,619,225 | - |
| Nonmajor governmental funds: | | |
| Special revenue funds: | | |
| Traffic | 43,819 | - |
| Parking facilities | - | 64,400 |
| Community and economic development | 689,257 | 1,239,364 |
| Church street marketplace | 54,000 | - |
| Impact fees | - | 488,626 |
| TIF waterfront | 1,140,176 | 468,469 |
| TIF downtown | - | 149,247 |
| Permanent funds: | | |
| Cemetery | <u>-</u> | <u>23,455</u> |
| Subtotal Nonmajor Governmental funds | 1,927,252 | 2,433,561 |
| <u>Business-type Funds:</u> | | |
| Major fund: | | |
| Electric | - | 2,133,939 |
| Wastewater | - | 464,770 |
| Nonmajor funds: | | |
| Water | - | 423,060 |
| Stormwater | <u>-</u> | <u>33,577</u> |
| Subtotal Business-type Funds: | <u>-</u> | <u>3,055,346</u> |
| Grand Total | <u>\$ 10,337,440</u> | <u>\$ 10,337,440</u> |

Significant transfers include Electric, Wastewater, Water and Stormwater primarily for payments in lieu of taxes to the General Fund. The General Fund transfer out to the Capital Projects Fund was primarily for the use of assigned fund balance for capital projects.

11. Capital Assets

Capital asset activity for the City's governmental and business-type activities for the year ended June 30, 2023 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|-----------------------|----------------------|------------------------|-----------------------|
| Governmental Activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 15,875,928 | \$ 135,571 | \$ - | \$ 16,011,499 |
| Construction in progress | 56,476,669 | 27,722,085 | (43,863,433) | 40,335,321 |
| Antiques and works of art | 52,000 | - | - | 52,000 |
| Total capital assets, not being depreciated | <u>72,404,597</u> | <u>27,857,656</u> | <u>(43,863,433)</u> | <u>56,398,820</u> |
| Capital assets, being depreciated: | | | | |
| Land improvements | 12,789,763 | 8,625,818 | - | 21,415,581 |
| Buildings and building improvements | 59,013,727 | 15,957,121 | - | 74,970,848 |
| Vehicles, machinery, equipment and furniture | 32,004,579 | 2,485,154 | (461,046) | 34,028,687 |
| Book collections | 3,054,594 | - | - | 3,054,594 |
| Infrastructure | 154,128,261 | 14,877,642 | - | 169,005,903 |
| Total capital assets, being depreciated | <u>260,990,924</u> | <u>41,945,735</u> | <u>(461,046)</u> | <u>302,475,613</u> |
| Less accumulated depreciation for: | | | | |
| Land improvements | (3,710,417) | (401,658) | - | (4,112,075) |
| Buildings and building improvements | (18,606,280) | (863,998) | - | (19,470,278) |
| Vehicles, machinery, equipment and furniture | (21,872,691) | (1,856,756) | 363,070 | (23,366,377) |
| Book collections | (2,586,226) | (135,096) | - | (2,721,322) |
| Infrastructure | (94,949,086) | (4,403,334) | - | (99,352,420) |
| Total accumulated depreciation | <u>(141,724,700)</u> | <u>(7,660,842)</u> | <u>363,070</u> | <u>(149,022,472)</u> |
| Total capital assets, being depreciated, net | <u>119,266,224</u> | <u>34,284,893</u> | <u>(97,976)</u> | <u>153,453,141</u> |
| Governmental activities capital assets, net | <u>\$ 191,670,821</u> | <u>\$ 62,142,549</u> | <u>\$ (43,961,409)</u> | <u>\$ 209,851,961</u> |

| | Beginning <u>Balance</u> | <u>Increases</u> | <u>Decreases</u> | Ending <u>Balance</u> |
|---|-----------------------------|----------------------|------------------------|--------------------------|
| Business-Type Activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 54,970,553 | \$ - | \$ - | \$ 54,970,553 |
| Construction in progress | 80,410,867 | 17,337,285 | (55,545,767) | 42,202,385 |
| Total capital assets, not being depreciated | 135,381,420 | 17,337,285 | (55,545,767) | 97,172,938 |
| Capital assets, being depreciated: | | | | |
| Land improvements | 193,211,515 | 25,535,766 | - | 218,747,281 |
| Buildings and building improvements | 30,885,999 | 18,087,834 | - | 48,973,833 |
| Vehicles, machinery, equipment and furniture | 27,667,142 | 3,340,354 | (727,215) | 30,280,281 |
| Right to use vehicles, machinery and equipment | 1,887,417 | - | - | 1,887,417 |
| Distribution and collection systems | 260,055,072 | 14,593,340 | (573,944) | 274,074,468 |
| Total capital assets, being depreciated/amortized | 513,707,145 | 61,557,294 | (1,301,159) | 573,963,280 |
| Less accumulated depreciation for: | | | | |
| Land improvements | (111,413,041) | (6,112,426) | - | (117,525,467) |
| Buildings and building improvements | (12,968,238) | (651,760) | - | (13,619,998) |
| Vehicles, machinery, equipment and furniture | (22,211,811) | (866,445) | 691,727 | (22,386,529) |
| Right to use vehicles, machinery and equipment | (198,676) | (198,675) | - | (397,351) |
| Distribution and collection systems | (146,105,205) | (6,424,608) | 401,657 | (152,128,156) |
| Total accumulated depreciation/amortized | (292,896,971) | (14,253,914) | 1,093,384 | (306,057,501) |
| Total capital assets, being depreciated, net | 220,810,174 | 47,303,380 | (207,775) | 267,905,779 |
| Business-type activities capital assets, net | <u>\$ 356,191,594</u> | <u>\$ 64,640,665</u> | <u>\$ (55,753,542)</u> | <u>\$ 365,078,717</u> |

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

Governmental Activities:

| | |
|--|---------------------|
| General government | \$ 231,299 |
| Public safety | 1,018,037 |
| Public works | 4,621,809 |
| Community development | 148,365 |
| Culture and recreation | 1,641,332 |
| Total depreciation expense - governmental activities | <u>\$ 7,660,842</u> |

Business-Type Activities:

| | |
|---|----------------------|
| Electric | \$ 5,136,203 * |
| Airport | 6,839,193 |
| Wastewater | 1,201,859 |
| Water | 976,627 |
| Stormwater | 100,032 |
| Total depreciation expense - business-type activities | <u>\$ 14,253,914</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 Net Position.

A summary of the Burlington School District's capital assets activity was as follows for the year ended June 30, 2023:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|----------------------|-----------------------|----------------------|
| Burlington School District: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 2,251,677 | \$ - | \$ - | \$ 2,251,677 |
| Construction in progress | <u>2,101,467</u> | <u>13,805,536</u> | <u>(621,310)</u> | <u>15,285,693</u> |
| Total capital assets, not being depreciated | 4,353,144 | 13,805,536 | (621,310) | 17,537,370 |
| Capital assets, being depreciated: | | | | |
| Buildings and building improvements | 69,810,100 | 2,509,912 | (11,641,039) | 60,678,973 |
| Vehicles, machinery, equipment and furniture | 5,684,043 | 493,098 | (24,399) | 6,152,742 |
| Right of use lease asset | <u>6,318,984</u> | <u>585,635</u> | <u>-</u> | <u>6,904,619</u> |
| Total capital assets, being depreciated | 81,813,127 | 3,588,645 | (11,665,438) | 73,736,334 |
| Less accumulated depreciation for: | | | | |
| Buildings and building improvements | (23,040,049) | (2,042,752) | 5,813,311 | (19,269,490) |
| Vehicles, machinery, equipment and furniture | (4,496,984) | (358,184) | 24,399 | (4,830,769) |
| Right to use lease asset | <u>(1,931,368)</u> | <u>(2,165,060)</u> | <u>-</u> | <u>(4,096,428)</u> |
| Total accumulated depreciation | <u>(29,468,401)</u> | <u>(4,565,996)</u> | <u>5,837,710</u> | <u>(28,196,687)</u> |
| Total capital assets, being depreciated, net | <u>52,344,726</u> | <u>(977,351)</u> | <u>(5,827,728)</u> | <u>45,539,647</u> |
| Burlington School District capital assets, net | <u>\$ 56,697,870</u> | <u>\$ 12,828,185</u> | <u>\$ (6,449,038)</u> | <u>\$ 63,077,017</u> |

12. Regulatory Assets and Regulatory Deferred Inflows of Resources

For the Electric Department, regulatory assets and regulatory deferred inflows of resources at June 30, 2023 comprise the following:

| | |
|---|---------------------|
| Deferred depreciation expense to be recovered in future years | \$ 1,159,822 |
| COVID-19 capitalized personnel costs | 180,546 |
| IBEW pension back-payment | 228,482 |
| Triennial consulting engineer report | 18,333 |
| Winter 2022-2023 excess energy revenue shortfall | 3,641,954 |
| Moran settlement payment | <u>831,876</u> |
| Total regulatory assets | <u>\$ 6,061,013</u> |
| Deferred depreciation expense - McNeil Plant | \$ 2,756,021 |
| Deferred depreciation expense - operating | <u>3,966,104</u> |
| Total regulatory deferred inflows of resources | <u>\$ 6,722,125</u> |

Provisions for depreciation of 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. 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 \$4,639,294 for the year ended June 30, 2023. In 2023, \$1,180,165 of deferred depreciation expense was realized. Unamortized deferred depreciation balance of \$1,159,822 remained at June 30, 2023. The deferred inflows represent accumulated deferred depreciation balances that became negative due to the fact that the financed assets were close to being fully depreciated when compared to the future debt sinking fund requirements.

13. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net assets 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 are described in the corresponding pension and OPEB notes. Deferred outflows of resources also represent unamortized balances of deferred amounts on refunded debt.

14. Short-Term Debt

A. Grant Anticipation Note (GAN)

In February 2023, the Airport renewed a \$10,000,000 GAN with the interest rate of 3.065%. The drawdowns during fiscal year 2023 were \$1,401,866, and repayments were \$2,541,057 with outstanding balance of \$1,401,866 at June 30, 2023. The unused limit at June 30, 2023 was \$8,598,134.

B. Revenue Anticipation Note

On June 30, 2022, the City renewed 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. This line of credit matures on June 30, 2024. The Electric Department had the entire line of credit balance of \$5,000,000 available for use during fiscal year 2023 and there was no activity during the year.

C. State Revolving Loan Interim Notes

The Wastewater, Water and Stormwater Funds had interim loans from the State of Vermont EPA Clean Water State Revolving Fund with a beginning balance of \$5,433,554 at July 1, 2022, additional drawdowns of \$3,108,796 during fiscal year 2023, and permanent refinancing of \$3,727,247. Available balance for use was \$8,122,488 at June 30, 2023.

15. 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.

Equipment Financing Notes Payable – The City enters into agreements for the purpose of financing the acquisition of major pieces of equipment. Notes are reported in governmental activities if the debt is expected to be repaid from general fund revenues and in business-type activities if the debt is expected to be repaid from proprietary fund revenues.

Leases Payable – The rent of snow equipment by the Airport qualified as GASB 87 lease liability and will be repaid by Airport 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, specifically the General Fund, special revenue funds and enterprise funds.

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 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:

| Governmental Activities: | Serial Maturities Through | Interest Rate(s) % | Amount Issued | Amount Outstanding as of 6/30/23 |
|--|---------------------------|--------------------|---------------|----------------------------------|
| Non-TIF Public offering general obligation and revenue bonds: | | | | |
| General Improvements 2011 Series B | 06/30/2030 | 2.00 - 4.75% | \$ 1,000,000 | \$ 405,000 |
| Taxable G.O. Bonds 2013 Series A - Fiscal Stability | 11/01/2028 | 3.50 - 5.25% | 9,000,000 | 4,295,000 |
| Refunding Bond Series 2016A | 06/30/2030 | 3.00 - 5.00% | 2,195,000 | 640,000 |
| Public Improvement Bonds 2016 Series B | 11/01/2036 | 4.00 - 5.00% | 2,000,000 | 1,585,000 |
| Refunding Bond Series 2016C | 11/01/2029 | 2.00 - 5.00% | 2,545,000 | 1,740,000 |
| Public Improvement Bonds 2017 Series A | 11/01/2036 | 1.20 - 3.85% | 5,267,000 | 3,562,000 |
| 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 | 1,655,000 |
| Public Improvement Bonds 2018 Series A - UVM & Champlain College | 11/01/2037 | 4.00 - 5.00% | 5,650,000 | 4,700,000 |
| Public Improvement Bonds 2018 Series A - Fire Truck | 11/01/2030 | 4.00 - 5.00% | 3,000,000 | 2,195,000 |
| Public Improvement Bonds 2018 Series A - G.O. Capital | 11/01/2038 | 4.00 - 5.00% | 6,000,000 | 5,220,000 |
| Public Improvement Bonds 2018 Series B - City Portion | 11/01/2038 | 5.00% | 2,000,000 | 1,745,000 |
| Public Improvement Bonds 2019 Series A - City Portion | 11/01/2039 | 3.00 - 5.00% | 2,000,000 | 1,810,000 |
| Public Improvement Bonds 2019 Series A - Sustainable Bonds | 11/01/2039 | 3.00 - 5.00% | 10,500,000 | 9,500,000 |
| Taxable G.O. Bonds Refunding 2019 Series C | 11/01/2035 | 1.844 - 3.031% | 9,225,000 | 8,205,000 |
| Public Improvement Bonds 2021 Series A | 11/01/2041 | 3.00 - 5.00% | 1,750,000 | 1,700,000 |
| Public Improvement Bonds 2022 Series A | 11/01/2042 | 5.00% | 14,765,000 | 14,765,000 |
| Total non-TIF public offering general obligation bonds | | | | 66,452,000 |

| | | | | |
|--|------------|--------------|------------|-----------------------|
| TIF public offering general obligation bonds: | | | | |
| Refunding COP Series 2016A - Lakeview Garage Project | 06/30/2025 | 3.00 - 5.00% | 5,145,000 | 1,125,000 |
| General Obligation Tax Increment Bonds, Series 2017D | 11/01/2035 | 2.00 - 5.00% | 3,400,000 | 2,700,000 |
| General Obligation Tax Increment Bonds, Series 2018C | 05/01/2025 | 5.00% | 405,000 | 135,000 |
| General Obligation Tax Increment Bonds, Series 2018D | 11/01/2035 | 5.00% | 1,570,000 | 1,310,000 |
| General Obligation Waterfront Tax Increment Bonds Series 2018E | 05/01/2025 | 4.30% | 745,000 | 245,000 |
| General Obligation Waterfront Tax Increment Bonds Series 2022B | 11/01/2035 | 5.00% | 30,120,000 | 30,120,000 |
| Total TIF public offering general obligation bonds | | | | <u>35,635,000</u> |
| Total public offering general obligation and revenue bonds | | | | 102,087,000 |
| TIF direct borrowing debt: | | | | |
| HUD Section 108 - US Guaranteed Notes 2014 | 06/15/2025 | 5.00% | 2,091,000 | 563,000 |
| Special Obligation Tax Increment Financing Bond | 11/15/2024 | 0.51 - 4.28% | 7,800,000 | 1,560,000 |
| General Obligation Waterfront Tax Increment Bonds Series 2019 | 06/30/2025 | 2.61% | 4,360,000 | 3,850,273 |
| Non-TIF direct borrowing general obligation bond: | | | | |
| Public Improvement Bonds 2014 Series A | 11/15/2034 | 0.51 - 3.99% | 2,000,000 | 1,200,000 |
| Parking Revenue Note, Series 2023 | 05/01/2028 | 4.93% | 750,000 | 750,000 |
| BCDC direct borrowing loans: | | | | |
| Aviation support hanger | 06/01/2026 | 3.00% | 1,400,000 | 266,970 |
| Gilbane property | 10/30/2025 | 6.25% | 324,049 | 72,437 |
| Relief long term notes | 11/15/2024 | 4.00% | 996,116 | 39,401 |
| VEDA | 12/19/2030 | 5.00% | 560,000 | 274,039 |
| Total direct borrowing debt: | | | | <u>8,576,120</u> |
| Total Governmental Activities: | | | | <u>\$ 110,663,120</u> |

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 Maturities Through</u> | <u>Interest Rate(s) %</u> | <u>Amount Issued</u> | <u>Amount Outstanding as of 6/30/23</u> |
|--|--|-------------------------------|--------------------------|---|
| Public offering general obligation bonds: | | | | |
| Electric General Improvements 2011 Series B | 11/01/2031 | 2.00 - 4.75% | \$ 1,000,000 | \$ 545,000 |
| Electric Taxable Public Improvement 2012 Series B | 11/01/2032 | 6.00% | 1,250,000 | 800,000 |
| Electric G.O. Public Improvement Bonds 2014 Series 3 | 11/01/2034 | 2.78% | 3,000,000 | 1,800,000 |
| Electric G.O. Refunding Bond 2016 Series A | 11/01/2029 | 2.00-5.00% | 10,235,000 | 6,210,000 |
| Electric G.O. Public Improvement Bonds 2016 Series B | 11/01/2036 | 4.00 - 5.00% | 3,000,000 | 2,385,000 |
| Electric G.O. Refunding Bond 2016 Series C | 11/01/2029 | 2.00 - 5.00% | 7,785,000 | 5,345,000 |
| Electric Taxable Refunding 2016 Series D | 11/01/2029 | 1.15 - 3.25% | 9,680,000 | 6,345,000 |
| Electric G.O. Public Improvement Bonds 2017 Series C | 11/01/2037 | 2.00 - 5.00% | 3,000,000 | 2,480,000 |
| Electric G.O. Public Improvement Bonds 2018 Series B | 11/01/2038 | 5.00% | 3,000,000 | 2,610,000 |
| Electric G.O. Public Improvement Bonds 2019 Series A | 11/01/2040 | 4.39% | 3,000,000 | 2,715,000 |
| Electric G.O. Public Improvement Bonds 2019 Series C | 11/01/2036 | 2.59% | 8,130,000 | 7,555,000 |
| Electric G.O. Public Improvement Bonds 2021 Series A | 11/01/2041 | 3.45% | 2,625,000 | 2,545,000 |
| Electric Bond Anticipation Note 2022 | 10/21/2023 | 0.44% | 3,000,000 | 3,000,000 |
| Electric G.O. Public Improvement Bonds 2022 Series A | 01/01/2042 | 5.00% | 2,650,000 | 2,650,000 |
| Total public offering general obligation bonds | | | | 46,985,000 |
| Other public offering debt: | | | | |
| Electric Revenue Bonds 2014 Series A | 07/01/2035 | 3.78% | 12,000,000 | 8,195,000 |
| Electric Revenue Bonds 2014 Series B | 07/01/2035 | 3.36% | 5,820,000 | 1,310,000 |
| Airport Revenue Refunding 2014 Series A | 07/01/2030 | 0.67 - 3.59% | 15,660,000 | 9,515,000 |
| Water System Revenue Bonds 2017 Series A | 11/01/2036 | 2.00 - 5.00% | 3,250,000 | 2,625,000 |
| Electric Revenue Bonds 2017 Series A | 07/01/2031 | 4.00 - 5.00% | 4,010,000 | 3,690,000 |
| Taxable Electric Revenue Bonds 2017 Series B | 07/01/2031 | 2.20 - 3.65% | 5,410,000 | 4,130,000 |
| Water System Revenue Bonds 2018 Series A | 11/01/2038 | 4.00 - 5.00% | 2,000,000 | 1,740,000 |
| Water System Revenue Bonds 2018 Series B | 11/01/2038 | 5.00% | 2,000,000 | 1,745,000 |
| Airport Revenue Refunding 2021 Series A | 07/01/2030 | 1.20 - 3.00% | 5,175,000 | 5,175,000 |
| Airport Revenue Refunding 2022 Series A | 06/30/2029 | 4.00 - 5.00% | 10,635,000 | 10,635,000 |
| Electric Revenue Bonds 2022 Series A | 06/30/2043 | 5.00% | 18,045,000 | 18,045,000 |
| Total other public offering debt | | | | 66,805,000 |
| Total public offering debt: | | | | 113,790,000 |
| Direct borrowing debt: | | | | |
| Stormwater Revenue Obligation Bond (VMBB) | 10/01/2031 | 0.00% | 1,204,000 | 253,187 |
| Wastewater State of VT-EPA 2006 Series 1 (Siphon) | 02/01/2027 | 0.00% | 1,650,000 | 413,212 |
| Wastewater State of VT-EPA 2001 Series 1 (Digester) | 08/01/2027 | 0.00% | 2,500,000 | 526,879 |
| Wastewater State of VT-EPA 2009 Series I (Turbo) | 10/01/2031 | 0.00% | 120,000 | 31,293 |
| Water State Revolving Loan RF3-295 | 11/01/2034 | 1.00% | 253,340 | 138,896 |
| Wastewater VT Municipal Bond Bank 2014 Series 1 | 11/15/2033 | 0.643 - 4.723% | 14,645,620 | 8,055,091 |
| Wastewater State of VT-EPA Series 2020 | 06/01/2041 | 0.00% | 390,063 | 356,260 |
| Wastewater State of VT-EPA RF1-246-3.0 (disinfection Systems) | 04/01/2041 | 0.00% | 2,622,466 | 2,304,488 |
| Wastewater State of VT-EPA '23 Series (Flynn PS and Fletcher PS) | 04/01/2041 | 0.00% | 2,622,466 | 1,513,486 |
| Total direct borrowing debt | | | | 13,592,792 |
| Total Business-Type Activities: | | | | \$ 127,382,792 |

B. Future Debt Service

The annual payments to retire all governmental long-term debt outstanding as of June 30, 2023 are as follows:

| Year Ending June 30, | Governmental Activities | | | |
|----------------------|------------------------------------|---------------|------------------|------------|
| | Public Offering General Obligation | | Direct Borrowing | |
| | Bonds | | | |
| | Principal | Interest | Principal | Interest |
| 2024 | \$ 6,485,000 | \$ 4,611,450 | \$ 1,391,855 | \$ 356,486 |
| 2025 | 6,905,000 | 4,310,139 | 4,939,832 | 173,066 |
| 2026 | 6,420,000 | 4,003,033 | 668,012 | 50,119 |
| 2027 | 6,702,000 | 3,698,348 | 386,235 | 40,726 |
| 2028 | 6,956,000 | 3,379,058 | 388,357 | 35,132 |
| 2029 - 2033 | 33,664,000 | 12,082,620 | 601,829 | 94,370 |
| 2034 - 2038 | 26,940,000 | 4,530,254 | 200,000 | 7,961 |
| 2039 - 2043 | 8,015,000 | 783,375 | - | - |
| Total | \$ 102,087,000 | \$ 37,398,277 | \$ 8,576,120 | \$ 757,860 |

The annual payments to retire all business-type long-term debt outstanding as of June 30, 2023 are as follows:

| Year Ending June 30, | Business-Type Activities | | | |
|----------------------|--|---------------|------------------|--------------|
| | Public Offering General Obligation and Revenue Bonds | | Direct Borrowing | |
| | Principal | Interest | Principal | Interest |
| 2024 | \$ 11,695,000 | \$ 4,620,807 | \$ 1,158,415 | \$ 424,515 |
| 2025 | 9,065,000 | 4,256,586 | 1,167,019 | 391,553 |
| 2026 | 8,785,000 | 3,879,429 | 1,175,798 | 357,210 |
| 2027 | 9,025,000 | 3,492,000 | 1,184,754 | 321,706 |
| 2028 | 9,350,000 | 3,094,799 | 1,085,374 | 285,257 |
| 2029 - 2033 | 39,540,000 | 9,532,515 | 4,955,414 | 879,338 |
| 2034 - 2038 | 16,190,000 | 4,179,345 | 1,986,623 | 182,186 |
| 2039 - 2043 | 10,140,000 | 1,175,850 | 879,395 | 39,169 |
| Total | \$ 113,790,000 | \$ 34,231,331 | \$ 13,592,792 | \$ 2,880,934 |

C. Changes in General Long-Term Liabilities

During the year ended June 30, 2023, the following changes occurred in long-term liabilities for the City's governmental and business-type activities:

| | Total Balance 7/1/2022 | Additions | Reductions | Total Balance 6/30/2023 | Less Current Portion | Equals Long Term Portion |
|--|------------------------------|---------------|-----------------|-------------------------------|----------------------------|-----------------------------------|
| Governmental Activities: | | | | | | |
| Bonds payable: | | | | | | |
| General obligation and other bonds | \$ 61,407,000 | \$ 44,885,000 | \$ (4,205,000) | \$ 102,087,000 | \$ (6,485,000) | \$ 95,602,000 |
| Direct borrowing bonds and loans | 9,231,155 | 750,000 | (1,405,200) | 8,575,955 | (1,391,855) | 7,184,100 |
| Add unamortized premium | 5,568,216 | 6,491,513 | (419,834) | 11,639,895 | (838,202) | 10,801,693 |
| Subtotal bonds payable | 76,206,371 | 52,126,513 | (6,030,034) | 122,302,850 | (8,715,057) | 113,587,793 |
| Net pension liability | 41,261,286 | 36,809,554 | - | 78,070,840 | - | 78,070,840 |
| Total OPEB liability | 4,089,665 | 157,381 | - | 4,247,046 | - | 4,247,046 |
| Direct borrowing equipment notes payable | 5,963,839 | - | (1,452,657) | 4,511,182 | (1,230,422) | 3,280,760 |
| Compensated absences liability | 2,605,789 | 106,479 | (21,308) | 2,690,960 | (269,096) | 2,421,864 |
| Insurance reserves | 1,189,826 | 135,593 | - | 1,325,419 | (1,071,562) | 253,857 |
| Total | \$ 131,316,776 | \$ 89,335,520 | \$ (7,503,999) | \$ 213,148,297 | \$ (11,286,137) | \$ 201,862,160 |
| Business-type Activities: | | | | | | |
| Bonds payable: | | | | | | |
| General obligation bonds | \$ 47,910,000 | \$ 5,650,000 | \$ (6,575,000) | \$ 46,985,000 | \$ (3,825,000) | \$ 43,160,000 |
| Revenue bonds | 68,925,000 | - | (2,120,000) | 66,805,000 | (4,870,000) | 61,935,000 |
| Direct borrowing bonds and loans | 13,164,321 | 1,578,450 | (1,149,983) | 13,592,788 | (1,158,415) | 12,434,373 |
| Add unamortized premium | 9,437,923 | 409,568 | (703,383) | 9,144,108 | (319,397) | 8,824,711 |
| Less unamortized discount | (1,464,502) | - | 114,270 | (1,350,232) | - | (1,350,232) |
| Subtotal bonds and loans payable | 137,972,742 | 7,638,018 | (10,434,096) | 135,176,664 | (10,172,812) | 125,003,852 |
| Net pension liability | 14,573,094 | 12,675,103 | - | 27,248,197 | - | 27,248,197 |
| Total OPEB liability | 1,350,311 | 51,962 | - | 1,402,273 | - | 1,402,273 |
| Direct borrowing notes and loans payable | 5,111,198 | 172,039 | (1,111,648) | 4,171,589 | (1,050,185) | 3,121,404 |
| Lease payable | 1,696,308 | - | (191,472) | 1,504,836 | (193,580) | 1,311,256 |
| Compensated absences liability | 1,852,443 | 23,424 | (60,192) | 1,815,675 | (648,925) | 1,166,750 |
| Total | \$ 162,556,096 | \$ 20,560,546 | \$ (11,797,408) | \$ 171,319,234 | \$ (12,065,502) | \$ 159,253,732 |

D. Advanced Refunding

On March 16, 2021, the Airport issued taxable airport revenue refunding bonds 2021 Series A (the "refunding bonds") in the amount of \$5,175,000 with variable interest rates ranging from 1.2% to 3.0% and released debt service reserves of \$2,157,700 to partially advance refund \$5,085,000 of the 2012 and 2014 Series A Revenue Bond payments with interest rates of 4-5% maturing on July 1, 2021, January 1, 2022 and July 1, 2022. After issuance costs and discount of \$329,908, and funding of the new debt service reserve of \$258,962, the net proceeds were \$6,743,830. 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 mature. The advance refunding met the requirements of an in-substance debt defeasance and the refunded bonds were removed from the Airport's financial statements.

As a result of the advance refunding, the Airport reduced its total debt service cash flow requirements by \$1,589,226, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$481,634. Defeased debt at June 30, 2021 was \$5,085,000.

E. Equipment Notes Payable

The City acquired certain equipment under direct purchase financing agreements repaid with General Fund, Airport Fund, Wastewater and the Water Funds. The notes are collateralized by the following equipment and include the following repayment terms.

| | Governmental <u>Activities</u> | Business-Type <u>Activities</u> |
|---|-----------------------------------|------------------------------------|
| Airport equipment - payments are to be made in equal annual installments of \$74,487 including interest at 2.77% annually, maturing on August 10, 2025. | \$ - | \$ 212,143 |
| General fund, traffic, and airport equipment - payments are to be made in equal semiannual installments of \$201,469 including interest at 2.37% annually, maturing on September 2, 2024. | 202,000 | 238,818 |
| Airport equipment - payments are to be made in equal semiannual installments of \$172,507 including interest at 2.99% annually, maturing on September 18, 2027. | - | 1,442,598 |
| Airport and parks vehicles, DPW equipment - payments are to be made in equal semiannual installments of \$172,696 including interest at 2.465% annually, maturing on September 30, 2023. | 126,709 | 43,884 |
| Wastewater truck - payments are to be made in equal monthly installments of \$1,812 including interest at 3.76% annually, maturing on February 20, 2025. | - | 35,074 |
| Water truck - payments are to be made in equal annual installments of \$16,338 including interest at 4.15% annually, maturing on March 15, 2026. | - | 45,210 |
| Water equipment and vehicles - payments are to be made in equal semiannual installments of \$159,498, including interest at 1.64% annually, maturing on June 19, 2027. | 560,215 | 267,764 |
| General fund vehicles - payments are to be made in semiannual installments that range from \$320,181 to \$153,457, including interest at 1.10% annually, maturing on November 1, 2030. | 1,695,519 | - |
| General fund equipment - payments are to be made in semiannual installments of \$95,379, including interest at 0.93% annually, maturing on May 1, 2026. | 563,057 | - |
| General fund, wastewater and water equipment - payments are to be made in semiannual installments of \$159,368, including interest at 0.93% annually, maturing on May 1, 2028. | <u>1,363,682</u> | <u>188,095</u> |
| Total Equipment Financing Notes Payable | <u>\$ 4,511,182</u> | <u>\$ 2,473,586</u> |

Future minimum payments under the equipment financing notes, which exclude the Electric Department, consisted of the following as of June 30, 2023:

| Fiscal Year | Governmental Activities | | | Business-Type Activities | | |
|----------------|-------------------------|------------|--------------|--------------------------|------------|--------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2024 | \$ 1,230,422 | \$ 48,301 | \$ 1,278,723 | \$ 744,961 | \$ 60,331 | \$ 805,292 |
| 2025 | 1,049,160 | 32,357 | 1,081,517 | 630,415 | 41,704 | 672,119 |
| 2026 | 845,215 | 20,824 | 866,039 | 519,446 | 26,740 | 546,186 |
| 2027 | 494,582 | 13,153 | 507,735 | 370,441 | 13,208 | 383,649 |
| 2028 | 428,982 | 7,951 | 436,933 | 208,323 | 2,822 | 211,145 |
| 2029 - 2031 | 462,821 | 7,667 | 470,488 | - | - | - |
| Total | \$ 4,511,182 | \$ 130,253 | \$ 4,641,435 | \$ 2,473,586 | \$ 144,805 | \$ 2,618,391 |

16. Long-Term Liabilities - Burlington School District

A. Bonds Payable

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

The School District has various bonds outstanding as follows:

| School District: | Serial Maturities Through | Interest Rate(s) % | Amount Issued | Amount Outstanding as of 6/30/23 |
|---|---------------------------------|-----------------------|------------------|---|
| 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 | 1,085,000 |
| G.O. Public Improvement Bonds 2014 Series A | 11/15/2034 | 0.51 - 3.99% | 2,000,000 | 1,200,000 |
| G.O. Public Improvement Bonds 2016 Series A | 3/15/2036 | 2.00 - 5.00% | 4,005,000 | 1,530,000 |
| G.O. Public Improvement Bonds 2016 Series B | 11/1/2036 | 4.00 - 5.00% | 2,000,000 | 1,585,000 |
| G.O. Public Improvement Bonds 2016 Series C | 11/1/2029 | 2.00 - 5.00% | 1,650,000 | 1,135,000 |
| G.O. Public Improvement Bonds 2017 Series C | 11/1/2037 | 2.00 - 5.00% | 2,300,000 | 1,895,000 |
| G.O. Public Improvement Bonds 2018 Series B | 11/1/2038 | 5.00% | 8,000,000 | 6,965,000 |
| G.O. Public Improvement Bonds 2019 Series A | 11/1/2039 | 4.00% | 6,000,000 | 5,430,000 |
| G.O. Public Improvement Refunding Bonds 2019 Series C | 11/1/2035 | 1.84 - 3.03% | 5,495,000 | 5,175,000 |
| G.O. Public Improvement Bonds 2021 Series A | 11/1/2041 | 3.00-5.00% | 1,750,000 | 1,700,000 |
| G.O. Public Improvement Bonds 2022 Series A | 11/1/2042 | 5.00% | 1,765,000 | 1,765,000 |
| Subtotal School District | | | | 41,165,000 |
| Plus: unamortized premiums | | | | 2,044,262 |
| Total School District | | | | \$ 43,209,262 |

B. Future Debt Service

The annual payments to retire the School District's bonds payable outstanding as of June 30, 2023 are as follows (amounts include unamortized bond premiums):

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|----------------------|----------------------|----------------------|
| 2024 | \$ 2,035,416 | \$ 1,985,975 | \$ 4,021,391 |
| 2025 | 2,130,416 | 1,904,947 | 4,035,363 |
| 2026 | 2,115,416 | 1,736,734 | 3,852,150 |
| 2027 | 13,850,416 | 1,267,122 | 15,117,538 |
| 2028 | 1,935,416 | 807,525 | 2,742,941 |
| 2029 - 2033 | 9,280,939 | 2,934,437 | 12,215,376 |
| 2034 - 2038 | 7,820,939 | 1,637,946 | 9,458,885 |
| 2039 - 2043 | 4,040,304 | 410,575 | 4,450,879 |
| Total | <u>\$ 43,209,262</u> | <u>\$ 12,685,261</u> | <u>\$ 55,894,523</u> |

17. Deferred Inflows of Resources

Deferred inflows of resources are the acquisition of net assets by the City that is 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 are 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.

The Electric Department's regulatory deferred inflows of resources are disclosed in Note 12.

Deferred inflows in relation to the Airport's leases receivable are disclosed in Note 9.

18. Governmental Funds – Fund Balances

Following is a summary of the City's fund balances at June 30, 2023:

| | General Fund | Capital Projects Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|----------------------|-----------------------------|-----------------------------------|--------------------------------|
| Nonspendable | | | | |
| Advances to other funds | \$ 91,000 | \$ - | \$ - | \$ 91,000 |
| Inventory and prepaid expenditures | 608,385 | - | 369,833 | 978,218 |
| Nonexpendable permanent funds | - | - | 1,221,415 | 1,221,415 |
| Total Nonspendable | <u>699,385</u> | <u>-</u> | <u>1,591,248</u> | <u>2,290,633</u> |
| Restricted | | | | |
| Future debt payments | 1,495,743 | - | - | 1,495,743 |
| Police equitable sharing funds | 292,612 | - | - | 292,612 |
| Community development | - | - | 1,194,113 | 1,194,113 |
| Church Street marketplace | - | - | 1,059,864 | 1,059,864 |
| TIF waterfront | - | - | 3,065,023 | 3,065,023 |
| TIF downtown | - | - | 4,968,382 | 4,968,382 |
| Impact fees | - | - | 774,916 | 774,916 |
| Capital improvement program | - | 53,486,856 | - | 53,486,856 |
| Expendable permanent funds | - | - | 24,896 | 24,896 |
| Total Restricted | <u>1,788,355</u> | <u>53,486,856</u> | <u>11,087,194</u> | <u>66,362,405</u> |
| Committed | | | | |
| Public records restoration | 297,147 | - | - | 297,147 |
| Compressed natural gas | 179,049 | - | - | 179,049 |
| Fire alarm surcharge | 180,094 | - | - | 180,094 |
| Traffic | - | - | 186,907 | 186,907 |
| Library books and donations | 12,278 | - | - | 12,278 |
| Parking and other projects | 69,939 | - | - | 69,939 |
| Telecom sale proceeds | - | - | 678,381 | 678,381 |
| Total Committed | <u>738,507</u> | <u>-</u> | <u>865,288</u> | <u>1,603,795</u> |
| Assigned for | | | | |
| Operating budget | 2,565,059 | - | - | 2,565,059 |
| Liability insurance reserve | 750,000 | - | - | 750,000 |
| Early learning initiative grant | 765,971 | - | - | 765,971 |
| Reappraisal | 523,804 | - | - | 523,804 |
| Planning | 490,000 | - | - | 490,000 |
| BPRW investment | 343,377 | - | - | 343,377 |
| Public works | 250,000 | - | - | 250,000 |
| Police rebuilding fund | 250,000 | - | - | 250,000 |
| Racial equity, inclusion, and belonging | 214,388 | - | - | 214,388 |
| Development reserve | 200,000 | - | - | 200,000 |
| Other purposes | 1,447,074 | - | - | 1,447,074 |
| Total Assigned | <u>7,799,673</u> | <u>-</u> | <u>-</u> | <u>7,799,673</u> |
| Unassigned | | | | |
| | <u>6,530,495</u> | <u>(8,626,323)</u> | <u>(3,909,453)</u> | <u>(6,005,281)</u> |
| Total Unassigned | <u>6,530,495</u> | <u>(8,626,323)</u> | <u>(3,909,453)</u> | <u>(6,005,281)</u> |
| Total Fund Balance | <u>\$ 17,556,415</u> | <u>\$ 44,860,533</u> | <u>\$ 9,634,277</u> | <u>\$ 72,051,225</u> |

19. 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 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.

As of June 30, 2023, there are 876 active members and 838 retirees or beneficiaries currently receiving benefits. Additionally, there are 767 former employees with vested rights.

B. Benefits Provided

Class A participants vest 20% after three years of creditable service, and 20 percent for each year thereafter until they are 100% 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% 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% 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% 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% after three years of creditable service, and 20% for each year thereafter until they are 100% 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% 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 0.5% 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 66²/₃% 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 11.00% 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 contribute 7.00%. All Class B participants not covered by a collective bargaining agreement contribute 4.87% and all Class A employees not covered by a collective bargaining agreement contribute 13.37%.

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, 2023, measured as of June 30, 2022, are shown below:

| | |
|--|-----------------------|
| Total pension liability | \$ 325,818,016 |
| System fiduciary net position | <u>(209,424,803)</u> |
| Net pension liability | <u>\$ 116,393,213</u> |
| Plan fiduciary net position as a percentage of the net pension liability | 64.28% |

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> |
|---------------------------------------|--------------------------------|---|
| Core Fixed Income | 17.50% | 5.00% |
| US Bonds - Dynamic | 7.50% | 5.60% |
| U.S. Large Cap Equity | 32.00% | 6.70% |
| U.S. Small Cap Equity | 9.00% | 6.50% |
| International Developed Equity | 20.50% | 8.89% |
| International Emerging Markets Equity | 7.00% | 10.80% |
| Private Equity | 0.50% | 9.70% |
| Real Estate | 6.00% | 7.40% |

Discount Rate – The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions would 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 7.10%, as well as what the System’s net pension liability would be if it was calculated using a discount rate that is one percentage-point lower (6.10%) or one percentage-point higher (8.10%) than the current rate:

| | 1% <u>Decrease</u> | Current Discount <u>Rate</u> | 1% <u>Increase</u> |
|-------------------------------------|-----------------------|------------------------------------|-----------------------|
| Primary government | \$ 139,429,135 | \$ 105,319,037 | \$ 76,876,030 |
| Discretely presented component unit | <u>14,454,611</u> | <u>11,074,177</u> | <u>8,225,513</u> |
| Net Pension Liability | <u>\$ 153,883,746</u> | <u>\$ 116,393,214</u> | <u>\$ 85,101,543</u> |

E. Deferred Outflows and (Inflows) of Resources

For the year ended June 30, 2023, the City recognized pension expense of \$17,809,149. In addition, the City reported deferred outflows of resources and deferred (inflows) of resources related to pension from the following sources:

| | Deferred Outflows of Resources | Deferred (Inflows) of Resources |
|---|--------------------------------------|---------------------------------------|
| Primary Government: | | |
| Fiscal year 2023 deferred pension contributions | \$ 10,152,181 | \$ - |
| Changes in proportional share of contributions | 1,105,008 | (1,010,045) |
| Difference between expected and actual pension experience | 2,170,805 | - |
| Changes in assumptions | 3,133,704 | - |
| Difference between projected and actual investment earnings | <u>15,930,121</u> | <u>-</u> |
| Total Primary Government | 32,491,819 | (1,010,045) |
| Discretely Presented Component Unit: | | |
| Changes in proportional share of contributions | 86,298 | (181,221) |
| Difference between expected and actual pension experience | 228,258 | - |
| Changes in assumptions | 329,505 | - |
| Difference between projected and actual investment earnings | <u>1,675,035</u> | <u>-</u> |
| Total Discretely Presented Component Unit | <u>2,319,096</u> | <u>(181,221)</u> |
| Total | <u>\$ 34,810,915</u> | <u>\$ (1,191,266)</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, 2024. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pension will be recognized in pension expense as follows:

| | Deferred Outflows/ (Inflows) of Resources |
|--|--|
| Year ended June 30: | |
| 2024 | \$ 7,391,460 |
| 2025 | 5,088,432 |
| 2026 | 913,495 |
| 2027 | <u>10,074,041</u> |
| Total Primary Government | 23,467,428 |
| Year ended June 30: | |
| 2024 | 636,652 |
| 2025 | 455,816 |
| 2026 | 86,914 |
| 2027 | <u>958,493</u> |
| Total Discretely Presented Component Unit | <u>2,137,875</u> |
| Total | <u>\$ 25,605,303</u> |

F. Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 10.3%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

20. 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 2023 was \$11,254,693. A summary of the actuarial assumptions as of the latest actuarial valuation is shown below:

| Valuation Date | June 30, 2022 |
|---|---|
| Actuarial cost method | Entry Age Normal Actuarial Cost Method (level percentage of salary) |
| Actuarial assumptions: | |
| Investment rate of return | 7.10% (Prior: 7.20%) |
| Inflation rate | 2.60% |
| Post-employment cost-of-living adjustment | 3.00% |
| Assumed annual rates of salary increases | 3.50% - 10.00% |

Ongoing actuarial valuation of the 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, 2022 valuation were based on the results of the most recent actuarial experience study covering the period July 1, 2012 to July 1, 2017.

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 7.1%. The projection of cash flows used to determine the discount rate assumed that contributions would 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, 2023, were as follows:

| | |
|--|-----------------------|
| Total pension liability | \$ 333,832,096 |
| Plan fiduciary net position | <u>(223,654,239)</u> |
| Net pension liability | <u>\$ 110,177,857</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 67.00% |

21. Vermont State Teachers’ Retirement System

A. Plan Description

All of the teachers employed by the Burlington School District, 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 VSTRS for those covered classes is a condition of employment. During the year ended June 30, 2021 (the most recent period available), the retirement system consisted of 23,887 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 and updated to reflect Act 114 and Act 173, effective on July 1, 2022 and 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 VSTRS 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 Annual Comprehensive Financial Report (ACFR)

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/ACFR.

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 on 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 \$7,868,619 or 20.99% 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; contributions stop after 25 years of creditable service | 5.0% of gross salary | Percentages are based on earnable compensation and range between 6.0% and 6.65% |

Employee contributions totaled \$2,400,430 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 \$37,487,467 for the year ended June 30, 2023. Beginning in 2016, school districts that pay for teachers with federal dollars are required to include costs of pensions in

the federal grant, lowering the liability for the State. Federally funded pension costs reimbursed to the State by the Supervisory Union for the fiscal year ending June 30, 2023 were \$489,741. The Supervisory Union's total payroll for all federally funded employees covered under this plan was \$2,333,216 for the year ended June 30, 2023.

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, 2023. The State's portion of the collective net pension liability that was associated with the School District was \$90,587,205 as of June 30, 2023.

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, 2022, 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, 2022, the School District's proportion was 4.697% which was a decrease of 0.119% from its proportion measured as of June 30, 2021.

E. Pension Expense

For the year ended June 30, 2023, the School District recognized total pension expense and revenue of \$11,691,141 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, 2022 measurement date was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2021 using the actuarial assumptions outlined below.

Investment Rate of Return – 7.00% net of pension plan investment expenses, including inflation.

Inflation – 2.30%.

Salary Increases – ranging from 3.55% to 10.50%.

Deaths After Retirement – PubT-2010 Teacher Employee Amount-Weighted Table with generational projection using scale MP-2019 for pre-retirement, PubT-2010 Teacher Healthy Retiree Amount-Weighted Table with generational projection using scale MP-2019 for healthy retirees, and the PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Table with generational projection using scale MP-2019 for disabled retirees.

Inactive Members - Valuation liability for the VSTRS plan equals 100% of accumulated contributions.

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 2.40% per annum for Group A members and 1.35% per annum for Group C members (beginning at age 62 for Group C members who elect reduced early retirement). The January 1, 2023 COLA is assumed to be 5.00% for Group A and 2.50% 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, 2022 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Asset Allocation</u> | <u>Long-term Expected Real rate of Return</u> |
|----------------------------------|--------------------------------|---|
| Passive Global Equities | 24.00% | 4.30% |
| Active Global Equities | 5.00% | 4.30% |
| US Equity - Large Cap | 4.00% | 3.25% |
| US Equity - Small/Mid Cap | 3.00% | 3.75% |
| Non-US Developed Market Equities | 7.00% | 5.00% |
| Private Equity | 10.00% | 6.50% |
| Emerging Markets Debt | 4.00% | 3.50% |
| Private and Alternative Credit | 10.00% | 4.75% |
| Non-Core Real Estate | 4.00% | 6.00% |
| Core Fixed Income | 19.00% | 0.00% |
| Core Real Estate | 3.00% | 3.50% |
| US TIPS | 3.00% | -0.50% |
| Infrastructure/Farmland | 4.00% | 4.25% |

G. Discount Rate

The discount rate used to measure the total pension liability was 7.00% for the VSTRS plan. The projection of cash flows used to determine the discount rate assumed that contributions would 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 VSTRS members. The assumed discount rate has been determined in accordance with the method prescribed by GASB 68.

22. Other Post-Employment Benefits (OPEB)

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This 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, 2023.

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 from the City and meet the eligibility criteria may receive these benefits.

Contributions

The employees contribute 5.52% of their compensation for fiscal year 2023.

Plan Membership

At July 1, 2021 (the last full valuation date), the following employees were covered by the benefit terms:

| | |
|--|---------------------|
| Inactive plan members or beneficiaries | |
| currently receiving benefit payments | 433 |
| Active plan members | <u>623</u> |
| Total | <u><u>1,056</u></u> |

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by an actuarial valuation as of July 1, 2021, 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 | 3.65% (prior 3.54%) |
| Healthcare cost trend rates | 6.50% in 2021, reducing by 0.2% each year to an ultimate rate of 4.60% per year rate for 2031 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, 2023.

Mortality rates were as follows:

- Class A: RP-2014 Adjusted to 2006 Total Dataset Mortality Table, projected to the valuation date with Scale MP-2021.
- Class B: RP-2014 Adjusted to 2006 Total Dataset Mortality Table, projected to the valuation date with Scale MP-2021, set forward two years.
- Disabled: RP-2014 Adjusted to 2006 Disabled Mortality Table, projected to the valuation date with Scale MP-2021.

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, 2017.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65%. 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 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2021.

Changes in the Total OPEB Liability

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

| | Total OPEB <u>Liability</u> |
|---|--------------------------------|
| Balance as of June 30, 2022 | \$ 5,439,976 |
| Changes for the year: | |
| Service cost | 316,272 |
| Interest | 204,025 |
| Differences between expected and actual experience | (249,066) |
| Changes in assumptions or other inputs | (76,338) |
| Benefit payments | <u>14,450</u> |
| Net Changes | <u>209,343</u> |
| Balance as of June 30, 2023 | <u>\$ 5,649,319</u> |

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

The following presents the total OPEB liability calculated using the discount rate of 3.65%, as well as what the total OPEB liability would be if it was calculated using a discount rate that is one percentage-point lower (2.65%) or one percentage-point higher (4.65%) than the current rate:

| 1% <u>Decrease</u> | Current Discount <u>Rate</u> | 1% <u>Increase</u> |
|-----------------------|------------------------------------|-----------------------|
| \$ 6,401,695 | \$ 5,649,319 | \$ 5,018,553 |

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:

| 1% <u>Decrease</u> | Healthcare Cost Trend <u>Rates</u> | 1% <u>Increase</u> |
|-----------------------|--|-----------------------|
| \$ 5,120,539 | \$ 5,649,319 | \$ 6,310,819 |

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

For the year ended June 30, 2023, the City recognized an OPEB expense of \$224,311. At June 30, 2023, the City reported deferred outflows and (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 | \$ 21,265 | \$ (1,452,465) |
| Change in assumptions | 668,125 | (692,806) |
| Changes in proportional share of contributions | <u>289,655</u> | <u>(289,655)</u> |
| Total | <u>\$ 979,045</u> | <u>\$ (2,434,926)</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> | |
|----------------------------|-----------------------|
| 2024 | \$ (295,995) |
| 2025 | (295,788) |
| 2026 | (374,842) |
| 2027 | (435,022) |
| 2028 | <u>(54,234)</u> |
| Total | <u>\$ (1,455,881)</u> |

B. Burlington School District OPEB Plan

Plan Description

In addition to providing pension benefits, the City provides post-employment health-care insurance benefits for retired employees from the Burlington School District. The OPEB Plan is a single-employer defined benefit plan.

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, 2023, the following employees were covered by the benefit terms:

| | |
|----------------------|-------------------|
| Retirees and spouses | 15 |
| Active plan members | <u>410</u> |
| Total | <u><u>425</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

The total OPEB liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

For the year ended June 30, 2023, the District recognized OPEB expense of \$442,558. At June 30, 2023, the District reported deferred outflows of resources and deferred (inflows) of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Difference between expected and actual experience | \$ 1,105,273 | \$ 209,784 |
| Change in assumptions | <u>139,090</u> | <u>611,005</u> |
| Total | <u><u>\$ 1,244,363</u></u> | <u><u>\$ 820,789</u></u> |

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

Year Ended June 30:

| | |
|------------|--------------------------|
| 2024 | \$ 22,278 |
| 2025 | (23,877) |
| 2026 | 80,371 |
| 2027 | 80,371 |
| 2028 | 80,374 |
| Thereafter | <u>184,057</u> |
| Total | <u><u>\$ 423,574</u></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, 2023. 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 4.13% per annum for June 30, 2023 was based upon a measurement date of June 30, 2023. The sensitivity of the total and net OPEB liability to changes in discount rate are as follows:

| <u>1% Decrease</u> | <u>Current Discount Rate</u> | <u>1% Increase</u> |
|------------------------|--------------------------------------|------------------------|
| \$ 8,487,620 | \$ 8,025,862 | \$ 7,576,989 |

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> |
|--------------------|--|--------------------|
| \$ 7,217,738 | \$ 8,025,862 | \$ 8,963,945 |

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, 2023 based on an actuarial valuation date of June 30, 2023.

| | |
|---|--|
| Inflation | 2.30% |
| Rate of annual aggregate payroll growth | 2.30% |
| Discount rate | 4.13% (prior 4.09%) |
| Healthcare cost trend rates | 7.50% in 2023, reducing by 0.5% each year to an ultimate rate of 4.5% per year rate for 2029 and later |

Mortality:

Teachers and Admin employees and retirees: SOA Pub-2010 Teacher Headcount Weighted Mortality Table fully generational using Scale MP-2022

Non-Teacher Employees and retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2022

Disabled Retirees: SOA Pub-2010 Non-Safety Disabled Retiree Headcount Weighted Mortality Table fully generational using Scale MP-2022

Surviving Spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2022

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, 2022 for non-teachers and Vermont State Teachers Retirement System (VSTRS) OPEB actuarial valuation as of June 30, 2023 for teachers and administration.

The actuarial assumptions used in the valuation were based on the results of the periodic experience study.

23. 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 VSTRS 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, **2021**, the Plan consisted of 7,280 retired members or beneficiaries currently receiving benefits and 9,955 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 Annual Comprehensive Financial Report (ACFR) 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/ACFR.

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.

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, 2023. The State's portion of the collective net OPEB liability that was associated with the District was \$28,878,522.

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, 2022, 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, 2022, the District's proportion was 4.023% which was a decrease of 0.044% from its proportion measured as of June 30, 2021.

E. OPEB Expense

For the year ended June 30, 2023, the District recognized total OPEB expense and revenue of \$2,801,018 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 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 2022 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, 2022, 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, 2022 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Asset Allocation</u> | <u>Long-term Expected Real rate of Return</u> |
|----------------------------------|--------------------------------|---|
| Passive Global Equities | 24.00% | 4.30% |
| Active Global Equities | 5.00% | 4.30% |
| US Equity - Large Cap | 4.00% | 3.25% |
| US Equity - Small/Mid Cap | 3.00% | 3.75% |
| Non-US Developed Market Equities | 7.00% | 5.00% |
| Private Equity | 10.00% | 6.50% |
| Emerging Markets Debt | 4.00% | 3.50% |
| Private and Alternative Credit | 10.00% | 4.75% |
| Non-Core Real Estate | 4.00% | 6.00% |
| Core Fixed Income | 19.00% | 0.00% |
| Core Real Estate | 3.00% | 3.50% |
| US TIPS | 3.00% | -0.50% |
| Infrastructure/Farmland | 4.00% | 4.25% |

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, 2022, they are as follows:

| | |
|---------------------------|---|
| Discount Rate | 7.00% |
| Salary Increase Rate | Varies by age |
| Non-Medicare | 7.12% graded to 4.50% over 12 years |
| Medicare | 6.50% graded to 4.50% over 12 years |
| Retiree Contributions | Equal to health trend |
| Pre-retirement Mortality | PubT-2010 Teacher Employee Headcount-Weighted Table with generational projection using Scale MP-2019. |
| Post-retirement Mortality | Retirees: PubT-2010 Teacher Healthy Headcount-Weighted Table Spouses: 109 % of the Pub-2010 Contingent Survivor Headcount-Weighted Table, both Retiree RP- Retirees and Spouses with generational projection using Scale MP-2019. |

I. Changes in Net OPEB Liability

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2022 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 twenty-six years as of July 1, 2022. For the fiscal year ended June 30, 2022, there were no changes in assumptions except for the discount rate being increased from 2.20% to 7.00%.

24. Defined Contribution Plans

The City offers its employees a Defined Contribution Plan (DCP) in accordance with Internal Revenue Code Section 457(b) through the International City/County Management Association's (ICMA) Retirement Corporation and Nationwide Retirement Solutions, which is also supplemented with the Post Employment Health Plan (PEHP) for its police and fire employees. The DCP permits full-time employees to defer a portion of their salary until future years. Deferred compensation is not available

to employees until termination, retirement, or death. The PEHP permits contributions to offset medical expenses upon separation from service or retirement. The City has no liability for losses under these plans, but does have the duty of due care that would be required of an ordinary prudent investor for safeguarding purposes only. The investments are self-directed by employees.

25. Commitments and Contingencies

A. Airport

Grants

Amounts received or receivable from grantor agencies, including possible grant assurance violations, 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 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.

B. Electric Department Commitments and Contingencies

The Electric Department 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 the Electric Department is the operator and 50% owner), the Electric Department owns 100% of the remaining resources and is also responsible for their operation.

In addition to energy provided by its owned generation, the Electric Department 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, 2023, 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).

- Under the Vermont Wind 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 9% 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 approximately 8% 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 December 31, 2024.
- 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 16% of BED's annual energy requirements at the 9 MW level.
- 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 addition to South Forty Solar, BED purchased the output from 7 small in-city solar projects under long-term agreements that amount to 414kW.
- 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 \$13,924,888 for the year ended June 30, 2023. Budgeted commitments under these long-term contracts and long-term contracts approved and executed for future delivery periods total approximately \$61,112,547 for the 5-year period from July 1, 2023 to June 30, 2028.

| <u>Fiscal Year</u> | <u>Budgeted Commitment</u> |
|--------------------|--------------------------------|
| 2024 | \$ 15,898,137 |
| 2025 | 15,034,294 |
| 2026 | 12,124,060 |
| 2027 | 9,579,517 |
| 2028 | <u>8,476,539</u> |
| Total | <u>\$ 61,112,547</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>2023</u> |
| McNeil Generating Station and Gas Turbine | 32% |
| Winooski One | 8% |
| New York Power Authority | 5% |
| Wind Production | 25% |
| Hydro-Quebec | 16% |
| Great River Hydro | 13% |
| In-City Solar | <u>1%</u> |
| Total | <u>100%</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 2023, the sources of energy shown above exceed BED’s annual energy requirement.

C. 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, 2023 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.

D. 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 workers' 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 workers' 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. 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. The City has reinsurance for individual claims in excess of \$130,000 and for aggregate stop loss of 125% of projected claims.

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> |
|-----------------------|--|
| Workers' Compensation | 50% Experience and 50% Exposure |
| Health | Number of Employees and Levels of Coverage |
| Dental | Actual Claims and Administration Fees Paid |

At June 30, 2023, the City has recorded an estimated liability of \$1,054,430 and \$17,132 in the General Fund, which represents the short-term payable for health and dental claims, respectively, as of June 30, 2023. A long-term reserve liability of \$253,857 is included for claims incurred but not reported on the governmental statement of net position mostly represents workers' compensation claims incurred on or before June 30, 2023, 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.

26. Net Position Restatement

The Wastewater Fund restated July 1, 2022 beginning net position in order to account for \$652,268 of noncapital debt which was previously reported in the Stormwater Fund.

In 2023, the Burlington School District determined that certain depreciation calculations in the governmental activities needed to be corrected. A restatement was made to the beginning balance of accumulated depreciation to decrease it by \$177,480. The resulting restatement increased the governmental activities net position from \$24,178,924 to \$24,356,404.

27. Subsequent Events

Management has evaluated subsequent events through February 29, 2024, which is the date the Annual Comprehensive Financial Report was available to be issued.

In July of 2023, the City of Burlington issued a bond anticipation note through JP Morgan Chase Bank, N.A. to provide liquidity for capital projects at the School District. The bond anticipation note allowed principal draws up to \$40,000,000 at 4.59% fixed interest per annum with a maturity date of September 14, 2023.

On September 15, 2023, the City issued \$150,505,000 General Obligation Bond Public Improvement Bonds, Series 2023A maturing November 1, 2043 with an interest rate of 5%.

28. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued GASB Statement No. 101, *Compensated Absences*, effective for the City beginning with its fiscal year ending June 30, 2025. Management is currently evaluating the impact of implementing this statement.

The GASB has issued GASB Statement No. 102, *Certain Risk Disclosures*, effective for the City beginning with its fiscal year ending June 30, 2026. Management is currently evaluating the impact of implementing this statement.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BURLINGTON, VERMONT
GENERAL FUND
STATEMENT OF REVENUES AND OTHER SOURCES,
AND EXPENDITURES AND OTHER USES - BUDGET AND ACTUAL
REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)
FOR THE YEAR ENDED JUNE 30, 2023

| | Budgeted Amounts | | Adjusted Actual Amounts | Variance With Final Budget |
|---|--------------------|-------------------|-------------------------------|-------------------------------|
| | Original Budget | Final Budget | | |
| Revenues and other sources: | | | | |
| Taxes and special assessments | \$ 41,269,113 | \$ 41,567,714 | \$ 41,130,113 | \$ (437,601) |
| Local option sales tax | 3,000,000 | 3,000,000 | 3,031,484 | 31,484 |
| Payments in lieu of taxes | 1,440,105 | 1,440,105 | 1,695,326 | 255,221 |
| Licenses and permits | 5,112,136 | 6,043,906 | 4,184,267 | (1,859,639) |
| Intergovernmental | 3,183,410 | 3,268,704 | 3,596,059 | 327,355 |
| Charges for services | 19,111,781 | 19,170,449 | 18,414,764 | (755,685) |
| Investment income (loss) | 735,000 | 735,000 | 1,027,038 | 292,038 |
| Contributions and donations | 995,700 | 1,047,913 | 912,503 | (135,410) |
| Other revenues | 1,160,110 | 1,310,480 | 349,074 | (961,406) |
| Transfers in | 4,204,513 | 4,245,537 | 4,790,963 | 545,426 |
| Bond premium | 350,000 | 350,000 | 2,114,542 | 1,764,542 |
| Sale of capital asset | - | - | 152,270 | 152,270 |
| Use of fund balance | 4,020,000 | 9,274,299 | - | (9,274,299) |
| Total Revenues and Other Sources | 84,581,868 | 91,454,107 | 81,398,403 | (10,055,704) |
| Expenditures and other uses: | | | | |
| Nondepartmental | 4,308,747 | 4,389,933 | 3,771,736 | 618,197 |
| City council | 359,500 | 375,856 | 155,038 | 220,818 |
| Regional services and programs | 2,652,774 | 3,117,774 | 2,883,668 | 234,106 |
| Mayor | 477,358 | 483,050 | 501,566 | (18,516) |
| Clerk treasurer | 3,819,122 | 3,693,214 | 3,759,956 | (66,742) |
| City attorney | 1,254,310 | 1,272,366 | 1,082,532 | 189,834 |
| Planning and zoning | 887,969 | 1,172,624 | 635,178 | 537,446 |
| City assessor | 515,980 | 523,353 | 459,969 | 63,384 |
| Human resources | 1,159,186 | 1,351,191 | 1,171,041 | 180,150 |
| REIB | 1,822,813 | 1,882,132 | 1,482,628 | 399,504 |
| Department of business and workforce development | 1,555,582 | 1,563,084 | 773,330 | 789,754 |
| Information technology | 2,378,065 | 1,893,659 | 1,804,259 | 89,400 |
| Fire | 13,793,547 | 13,988,065 | 14,146,391 | (158,326) |
| Police | 16,495,178 | 16,730,217 | 17,107,944 | (377,727) |
| Code enforcement | 2,302,100 | 2,335,099 | 2,135,606 | 199,493 |
| Public works | 5,828,397 | 5,917,121 | 5,451,832 | 465,289 |
| Library | 2,472,428 | 2,608,852 | 2,542,978 | 65,874 |
| Parks and recreation | 9,338,703 | 9,365,815 | 8,751,529 | 614,286 |
| Burlington city arts | 2,960,432 | 3,078,805 | 3,014,991 | 63,814 |
| Community and economic development | 1,502,693 | 1,564,665 | 1,081,422 | 483,243 |
| Capital outlay | 1,369,657 | 529,110 | 538,733 | (9,623) |
| Debt service | 6,832,719 | 8,149,208 | 7,868,770 | 280,438 |
| Transfers | 544,607 | 5,100,777 | 4,848,533 | 252,244 |
| Total Expenditures and Other Uses | 84,631,867 | 91,085,970 | 85,969,630 | 5,116,340 |
| Excess (deficiency) of revenues and other sources over (under) expenditures and other uses | \$ (49,999) | \$ 368,137 | \$ (4,571,227) | \$ (4,939,364) |

See Independent Auditors' Report.

**CITY OF BURLINGTON, VERMONT
PENSION LIABILITY**

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

REQUIRED SUPPLEMENTARY INFORMATION

(Unaudited)

Burlington Employees' Retirement System (BERS)

| 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, 2022 | 100.00% | \$116,393,214 | \$51,361,810 | 226.61% | 64.28% |
| June 30, 2021 | 100.00% | \$61,843,988 | \$51,634,214 | 119.77% | 80.10% |
| June 30, 2020 | 100.00% | \$98,583,037 | \$50,694,990 | 194.46% | 66.37% |
| June 30, 2019 | 100.00% | \$83,437,732 | \$50,482,389 | 165.28% | 70.00% |
| June 30, 2018 | 100.00% | \$75,685,982 | \$49,012,028 | 154.42% | 71.41% |
| June 30, 2017 | 100.00% | \$87,310,528 | \$54,282,231 | 160.85% | 66.77% |
| June 30, 2016 | 100.00% | \$89,153,906 | \$48,107,717 | 185.32% | 63.75% |
| June 30, 2015 | 100.00% | \$68,164,434 | \$44,765,172 | 152.27% | 70.35% |
| June 30, 2014 | 100.00% | \$53,829,773 | \$45,788,172 | 117.56% | 75.31% |

June 30, 2013 data is not available.

Vermont State Teachers' Retirement System (VSTRS)

| 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 School District | 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, 2022 | 4.70% | - | \$90,587,205 | \$35,307,041 | - | 54.81% |
| June 30, 2021 | 4.71% | - | \$79,841,269 | \$37,335,924 | - | 58.83% |
| June 30, 2020 | 4.61% | - | \$89,906,447 | \$32,780,844 | - | 50.00% |
| June 30, 2019 | 4.59% | - | \$71,563,284 | \$31,498,868 | - | 54.96% |
| June 30, 2018 | 4.49% | - | \$67,882,065 | \$30,377,299 | - | 51.84% |
| June 30, 2017 | 4.55% | - | \$67,400,147 | \$30,079,258 | - | 53.98% |
| June 30, 2016 | 4.66% | - | \$60,991,444 | \$30,171,373 | - | 55.31% |
| June 30, 2015 | 4.80% | - | \$56,961,562 | \$26,774,383 | - | 58.22% |
| June 30, 2014 | 4.94% | - | \$47,328,006 | \$27,991,613 | - | 64.02% |
| June 30, 2013 | 4.87% | - | \$49,254,692 | \$29,978,065 | - | 60.59% |

See notes to financial statements for summary of actuarial methods and assumptions.

See Independent Auditors' Report.

**CITY OF BURLINGTON, VERMONT
EMPLOYEES' RETIREMENT SYSTEM**

SCHEDULE OF PENSION CONTRIBUTIONS (GASB 68)

REQUIRED SUPPLEMENTARY INFORMATION

(Unaudited)

| <u>Fiscal Year</u> | <u>Actuarially Determined Employer Contribution</u> | <u>Contributions in Relation to the Actuarially Determined Required Contribution</u> | <u>Contribution Deficiency (Excess)</u> | <u>Covered Payroll</u> | <u>Contributions as a Percentage of Covered Payroll</u> |
|------------------------|---|--|---|----------------------------|---|
| June 30, 2023 | \$ 11,254,693 | \$ 11,254,693 | \$ - | \$ 52,902,664 | 21.27% |
| June 30, 2022 | \$ 10,821,716 | \$ 10,821,716 | \$ - | \$ 53,183,240 | 20.35% |
| June 30, 2021 | \$ 10,236,862 | \$ 10,236,862 | \$ - | \$ 52,121,603 | 19.64% |
| 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 notes to financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

CITY OF BURLINGTON, VERMONT
PENSION LIABILITY
SCHEDULE OF CHANGES IN THE
EMPLOYERS' NET PENSION LIABILITY (GASB 67)
REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Total Pension Liability | | | | | | | | | | |
| Service cost | \$ 6,979,586 | \$ 6,876,288 | \$ 6,708,721 | \$ 6,513,321 | \$ 6,374,840 | \$ 6,670,325 | \$ 5,939,730 | \$ 5,327,448 | \$ 5,915,439 | \$ 5,314,021 |
| Interest | 22,719,464 | 22,138,395 | 21,120,066 | 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 | 71,175 | - | 3,851,405 | - | - | (138,534) | - | (414,295) | (3,167,853) | - |
| Differences between expected and actual experience | 2,923,768 | 427,899 | 3,263,952 | 1,826,152 | - | (1,453,843) | (4,272,574) | 6,852,487 | 4,312,195 | - |
| Changes of assumptions | 3,446,511 | 3,731,943 | 2,243,904 | 2,153,694 | - | (7,508,856) | 10,370,856 | - | - | - |
| Benefit payments, including refunds of member contributions | (21,384,228) | (20,614,115) | (18,411,850) | (17,338,220) | (16,617,928) | (15,616,191) | (14,770,644) | (13,971,175) | (12,602,652) | (11,932,108) |
| Net change in total pension liability | 14,756,276 | 12,560,410 | 18,776,198 | 13,567,868 | 9,475,321 | 1,914,196 | 16,838,548 | 16,062,988 | 11,876,277 | 9,980,790 |
| Total pension liability - beginning | 319,075,820 | 306,515,410 | 287,739,212 | 274,171,344 | 264,696,023 | 262,781,827 | 245,943,279 | 229,880,291 | 218,004,014 | 208,023,224 |
| Total pension liability - ending (a) | 333,832,096 | 319,075,820 | 306,515,410 | 287,739,212 | 274,171,344 | 264,696,023 | 262,781,827 | 245,943,279 | 229,880,291 | 218,004,014 |
| Plan Fiduciary Net Position | | | | | | | | | | |
| Contributions - employer | 11,254,693 | 10,821,716 | 10,236,862 | 9,715,892 | 9,543,529 | 9,172,822 | 9,219,098 | 9,149,159 | 8,840,768 | 8,920,879 |
| Contributions - member | 4,075,840 | 3,957,281 | 3,522,346 | 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) | 21,190,350 | (32,688,208) | 59,811,879 | 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 | (21,384,228) | (20,615,115) | (18,411,850) | (17,338,220) | (16,617,928) | (15,616,191) | (14,770,644) | (13,971,175) | (12,602,652) | (11,932,108) |
| Administrative expense | (722,335) | (935,694) | (762,205) | (411,925) | (338,039) | (385,309) | (361,811) | (320,908) | (306,795) | (253,796) |
| Other | (184,882) | (50,100) | (50,100) | (50,100) | (50,100) | (20,278) | - | - | - | 5,927 |
| Net change in plan fiduciary net position | 14,229,438 | (39,510,120) | 54,346,932 | (125,470) | 5,703,417 | 13,538,743 | 18,681,926 | (4,926,484) | (2,458,384) | 18,515,569 |
| Plan fiduciary net position - beginning | 209,424,801 | 248,934,921 | 194,587,989 | 194,713,459 | 189,010,042 | 175,471,299 | 156,789,373 | 161,715,857 | 164,174,241 | 145,658,672 |
| Plan fiduciary net position - ending (b) | 223,654,239 | 209,424,801 | 248,934,921 | 194,587,989 | 194,713,459 | 189,010,042 | 175,471,299 | 156,789,373 | 161,715,857 | 164,174,241 |
| Net pension liability - ending (a-b) | \$ 110,177,857 | \$ 109,651,019 | \$ 57,580,489 | \$ 93,151,223 | \$ 79,457,885 | \$ 75,685,981 | \$ 87,310,528 | \$ 89,153,906 | \$ 68,164,434 | \$ 53,829,773 |
| Schedule of Investment Returns | | | | | | | | | | |
| Annual money weighted rate of return, net of investment expense | 10.30% | -13.20% | 31.10% | 5.25% | 5.20% | 9.80% | 10.25% | -1.30% | -0.15% | 13.62% |

See notes to financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

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

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

(Unaudited)

Changes in Total OPEB Liability

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total OPEB liability | | | | | | |
| Service cost | \$ 316,282 | \$ 446,755 | \$ 422,580 | \$ 239,652 | \$ 213,616 | \$ 216,056 |
| Interest | 204,025 | 160,062 | 155,461 | 191,430 | 200,377 | 179,050 |
| Differences between expected and actual experience | (249,066) | (1,243,743) | (324,780) | (463,076) | (227,919) | 163,021 |
| Changes of assumptions | (76,338) | (912,019) | 45,326 | 1,524,927 | 207,752 | (162,358) |
| Benefit payments, including refunds of member contributions | <u>14,450</u> | <u>50,602</u> | <u>55,496</u> | <u>(243,673)</u> | <u>(45,401)</u> | <u>(385,708)</u> |
| Net change in total OPEB liability | 209,353 | (1,498,343) | 354,083 | 1,249,260 | 348,425 | 10,061 |
| Total OPEB liability - beginning | <u>5,439,976</u> | <u>6,938,319</u> | <u>6,584,236</u> | <u>5,334,976</u> | <u>4,986,551</u> | <u>4,976,490</u> |
| Total OPEB liability - ending | <u>\$ 5,649,329</u> | <u>\$ 5,439,976</u> | <u>\$ 6,938,319</u> | <u>\$ 6,584,236</u> | <u>\$ 5,334,976</u> | <u>\$ 4,986,551</u> |
| Covered employee payroll | \$ 41,430,355 | \$ 41,430,355 | \$ 42,461,912 | \$ 41,385,879 | \$ 40,224,487 | \$ 39,205,153 |
| Total OPEB liability as a percentage of covered employee payroll | 13.64% | 13.13% | 16.34% | 15.91% | 13.26% | 12.72% |

There are no assets accumulated in a trust that meets the criteria of GASB codification P52.101 to pay related benefits for the OPEB plan.

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
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

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

(Unaudited)

Changes in Total OPEB Liability

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total OPEB liability | | | | | |
| Service cost | \$ 480,686 | \$ 627,827 | \$ 564,340 | \$ 352,070 | \$ 315,649 |
| Interest on unfunded liability - time value of money | 275,954 | 156,245 | 165,143 | 217,893 | 213,029 |
| Changes of benefit terms | | | | - | - |
| Differences between expected and actual experience | 1,152,040 | (245,161) | 125,483 | (77,737) | 112,870 |
| Changes of assumptions | (18,248) | (549,939) | 178,792 | (547,751) | 164,085 |
| Benefit payments | <u>(259,271)</u> | <u>(200,786)</u> | <u>(141,645)</u> | <u>(170,085)</u> | <u>(108,152)</u> |
| Net change in total OPEB liability | 1,631,161 | (211,814) | 892,113 | (225,610) | 697,481 |
| Total OPEB liability - beginning | <u>6,394,701</u> | <u>6,606,515</u> | <u>5,714,402</u> | <u>5,940,012</u> | <u>5,242,531</u> |
| Total OPEB liability - ending | <u>\$ 8,025,862</u> | <u>\$ 6,394,701</u> | <u>\$ 6,606,515</u> | <u>\$ 5,714,402</u> | <u>\$ 5,940,012</u> |
| Covered employee payroll | \$ 39,759,711 | \$ 37,376,385 | \$ 37,609,262 | \$ 38,782,212 | \$ 33,983,834 |
| Total OPEB liability as a percentage of covered employee payroll | 20.2% | 17.1% | 17.6% | 14.7% | 17.5% |

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 to pay related benefits for the OPEB plan.

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**

Combining Financial Statements

NONMAJOR 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.
- 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.
- ARPA: The ARPA fund is used to account for activities reimbursed through federal grants under the ARPA program.
- 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.

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.

- Gift fund: This fund is used to account for a bequest by Horatio G. Loomis in 1902 and interest to be used by the Fletcher Free Library; a bequest from L. Deming in 1972 for use by the parks department for the removal and planting of trees; a bequest of M. Waddell in 1988 to be used for planting flowers in public flower beds; and contributions by the Norman Knight Charitable Foundation to assist the police department with DARE Program.

DEBT SERVICE FUNDS

Debt service funds are established to account for tax increment revenues covering debt service expenditures for districts established under 24 V.S.A.

- 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.

CITY OF BURLINGTON, VERMONT

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2023

| | Special Revenue Funds | | | | |
|--|-----------------------|-------------------------------|---|--|---------------------|
| | <u>Traffic</u> | <u>Parking Facilities</u> | <u>Community and Economic Development</u> | <u>Church Street Marketplace</u> | <u>ARPA</u> |
| ASSETS | | | | | |
| Cash and short-term investments | \$ 322,466 | \$ 74,993 | \$ 1,275,113 | \$ 989,441 | \$ 9,442,804 |
| Investments | - | - | - | - | - |
| Receivables, net of allowance: | | | | | |
| Departmental and other | - | - | - | 150,740 | - |
| Intergovernmental | - | - | 194,700 | - | - |
| Loans | - | - | 4,266,997 | - | - |
| Accrued interest | - | - | 1,385,224 | - | - |
| Prepaid expenditures | 224 | - | - | - | - |
| Inventory | 369,609 | - | - | - | - |
| Total Assets | <u>\$ 692,299</u> | <u>\$ 74,993</u> | <u>\$ 7,122,034</u> | <u>\$ 1,140,181</u> | <u>\$ 9,442,804</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 122,387 | \$ 112,851 | \$ 227,791 | \$ 1,277 | \$ 39,913 |
| Accrued liabilities | 13,062 | 13,632 | 33,128 | 7,357 | 7,345 |
| Unearned revenue | - | - | 14,781 | 71,683 | 9,405,803 |
| Notes payable | - | 2,500,000 | - | - | - |
| Due to other funds | - | - | - | - | - |
| Other liabilities | - | 18,066 | - | - | - |
| Total Liabilities | 135,449 | 2,644,549 | 275,700 | 80,317 | 9,453,061 |
| Deferred Inflows of Resources: | | | | | |
| Unavailable revenues | 110 | - | 5,652,221 | - | - |
| Fund Balances: | | | | | |
| Nonspendable | 369,833 | - | - | - | - |
| Restricted | - | - | 1,194,113 | 1,059,864 | - |
| Committed | 186,907 | - | - | - | - |
| Unassigned | - | (2,569,556) | - | - | (10,257) |
| Total Fund Balances | <u>556,740</u> | <u>(2,569,556)</u> | <u>1,194,113</u> | <u>1,059,864</u> | <u>(10,257)</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 692,299</u> | <u>\$ 74,993</u> | <u>\$ 7,122,034</u> | <u>\$ 1,140,181</u> | <u>\$ 9,442,804</u> |

(continued)

CITY OF BURLINGTON, VERMONT

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2023

(continued)

| | Special Revenue Funds | | | <u>Subtotals</u> |
|---|-----------------------|--|-------------------------------|----------------------|
| | <u>Impact Fees</u> | <u>Community Development Corporation</u> | <u>Telecom Sales Proceeds</u> | |
| ASSETS | | | | |
| Cash and short-term investments | \$ 776,138 | \$ - | \$ 827,633 | \$ 13,708,588 |
| Investments | - | - | - | - |
| Receivables, net of allowance: | | | | |
| Departmental and other | - | - | - | 150,740 |
| Intergovernmental | - | - | - | 194,700 |
| Loans | - | 625,030 | - | 4,892,027 |
| Accrued interest | - | - | - | 1,385,224 |
| Prepaid expenditures | - | - | - | 224 |
| Inventory | - | - | - | 369,609 |
| Total Assets | <u>\$ 776,138</u> | <u>\$ 625,030</u> | <u>\$ 827,633</u> | <u>\$ 20,701,112</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ 149,252 | \$ 653,471 |
| Accrued liabilities | - | - | - | 74,524 |
| Unearned revenue | - | - | - | 9,492,267 |
| Notes payable | - | - | - | 2,500,000 |
| Due to other funds | - | 1,329,640 | - | 1,329,640 |
| Other liabilities | 1,222 | - | - | 19,288 |
| Total Liabilities | 1,222 | 1,329,640 | 149,252 | 14,069,190 |
| Deferred Inflows of Resources: | | | | |
| Unavailable revenues | - | 625,030 | - | 6,277,361 |
| Fund Balances: | | | | |
| Nonspendable | - | - | - | 369,833 |
| Restricted | 774,916 | - | - | 3,028,893 |
| Committed | - | - | 678,381 | 865,288 |
| Unassigned | - | (1,329,640) | - | (3,909,453) |
| Total Fund Balances | <u>774,916</u> | <u>(1,329,640)</u> | <u>678,381</u> | <u>354,561</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 776,138</u> | <u>\$ 625,030</u> | <u>\$ 827,633</u> | <u>\$ 20,701,112</u> |

CITY OF BURLINGTON, VERMONT

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2023

(continued)

| | Permanent Funds | | | Debt Service Funds | | | Nonmajor Governmental Funds |
|--|---------------------|------------------|---------------------|---------------------|---------------------|---------------------|-----------------------------------|
| | Cemetery | Gift Fund | Subtotals | TIF Waterfront | TIF Downtown | Subtotals | |
| ASSETS | | | | | | | |
| Cash and short-term investments | \$ 43,114 | \$ 38,542 | \$ 81,656 | \$ 3,075,967 | \$ 4,981,658 | \$ 8,057,625 | \$ 21,847,869 |
| Investments | 1,164,655 | - | 1,164,655 | - | - | - | 1,164,655 |
| Receivables, net of allowance: | | | | | | | |
| Departmental and other | - | - | - | - | - | - | 150,740 |
| Intergovernmental | - | - | - | - | - | - | 194,700 |
| Loans | - | - | - | - | - | - | 4,892,027 |
| Accrued interest | - | - | - | - | - | - | 1,385,224 |
| Prepaid expenditures | - | - | - | - | - | - | 224 |
| Inventory | - | - | - | - | - | - | 369,609 |
| Total Assets | <u>\$ 1,207,769</u> | <u>\$ 38,542</u> | <u>\$ 1,246,311</u> | <u>\$ 3,075,967</u> | <u>\$ 4,981,658</u> | <u>\$ 8,057,625</u> | <u>\$ 30,005,048</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ 10,944 | \$ 12,784 | \$ 23,728 | \$ 677,199 |
| Accrued liabilities | - | - | - | - | 492 | 492 | 75,016 |
| Unearned revenue | - | - | - | - | - | - | 9,492,267 |
| Notes payable | - | - | - | - | - | - | 2,500,000 |
| Due to other funds | - | - | - | - | - | - | 1,329,640 |
| Other liabilities | - | - | - | - | - | - | 19,288 |
| Total Liabilities | - | - | - | 10,944 | 13,276 | 24,220 | 14,093,410 |
| Deferred Inflows of Resources: | | | | | | | |
| Unavailable revenues | - | - | - | - | - | - | 6,277,361 |
| Fund Balances: | | | | | | | |
| Nonspendable | 1,207,769 | 13,646 | 1,221,415 | - | - | - | 1,591,248 |
| Restricted | - | 24,896 | 24,896 | 3,065,023 | 4,968,382 | 8,033,405 | 11,087,194 |
| Committed | - | - | - | - | - | - | 865,288 |
| Unassigned | - | - | - | - | - | - | (3,909,453) |
| Total Fund Balances | <u>1,207,769</u> | <u>38,542</u> | <u>1,246,311</u> | <u>3,065,023</u> | <u>4,968,382</u> | <u>8,033,405</u> | <u>9,634,277</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 1,207,769</u> | <u>\$ 38,542</u> | <u>\$ 1,246,311</u> | <u>\$ 3,075,967</u> | <u>\$ 4,981,658</u> | <u>\$ 8,057,625</u> | <u>\$ 30,005,048</u> |

See Independent Auditors' Report.

CITY OF BURLINGTON, VERMONT

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2023

| | Special Revenue Funds | | | | |
|--|-----------------------|-----------------------|--|---------------------------------|-------------|
| | Traffic | Parking Facilities | Community and Economic Development | Church Street Marketplace | ARPA |
| Revenues: | | | | | |
| Taxes | \$ - | \$ 113,479 | \$ 1,109,499 | \$ - | \$ - |
| Licenses and permits | - | - | - | 158,676 | - |
| Intergovernmental | - | - | 4,128,541 | 1,000,000 | 3,882,981 |
| Charges for services | 2,124,387 | 2,164,878 | 58,155 | 762,336 | - |
| Contributions | - | - | 21,227 | 57,301 | - |
| Investment income (loss) | (9,938) | - | 869 | 2,064 | - |
| Loan repayments | - | - | 27,959 | - | - |
| Other | 2,103 | - | 660,229 | - | - |
| Total Revenues | 2,116,552 | 2,278,357 | 6,006,479 | 1,980,377 | 3,882,981 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | - | - | - | - | 2,595,956 |
| Public works | 2,185,896 | 2,290,011 | - | - | - |
| Community development | - | - | 5,994,976 | 904,791 | - |
| Capital outlay | 36,917 | 780,186 | - | - | 1,297,680 |
| Debt service: | | | | | |
| Principal | - | 59,756 | - | - | - |
| Interest and bond issue costs | 3,322 | 12,159 | - | 29 | - |
| Total Expenditures | 2,226,135 | 3,142,112 | 5,994,976 | 904,820 | 3,893,636 |
| Excess (deficiency) of revenues over (under) expenditures | (109,583) | (863,755) | 11,503 | 1,075,557 | (10,655) |
| Other Financing Sources (Uses): | | | | | |
| Issuance of bonds | - | 750,000 | - | - | - |
| Transfers in | 43,819 | - | 689,257 | 54,000 | - |
| Transfers out | - | (64,400) | (1,239,364) | - | - |
| Total Other Financing Sources (Uses) | 43,819 | 685,600 | (550,107) | 54,000 | - |
| Net change in fund balances | (65,764) | (178,155) | (538,604) | 1,129,557 | (10,655) |
| Fund Balances, beginning of year | 622,504 | (2,391,401) | 1,732,717 | (69,693) | 398 |
| Fund Balances, end of year | \$ 556,740 | \$ (2,569,556) | \$ 1,194,113 | \$ 1,059,864 | \$ (10,257) |

(continued)

CITY OF BURLINGTON, VERMONT

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2023

(continued)

| | Special Revenue Funds | | | <u>Subtotals</u> |
|---|-----------------------|--|------------------------------|-------------------|
| | <u>Impact Fees</u> | <u>Community Development Corporation</u> | <u>Telecom Sale Proceeds</u> | |
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 1,222,978 |
| Licenses and permits | - | - | - | 158,676 |
| Intergovernmental | - | - | - | 9,011,522 |
| Charges for services | 145,935 | 364,000 | - | 5,619,691 |
| Contributions | - | - | - | 78,528 |
| Investment income (loss) | 2,805 | - | - | (4,200) |
| Loan repayments | - | - | - | 27,959 |
| Other | - | 127,817 | - | 790,149 |
| Total Revenues | 148,740 | 491,817 | - | 16,905,303 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | 215,248 | 2,811,204 |
| Public works | - | - | - | 4,475,907 |
| Community development | - | 59,284 | - | 6,959,051 |
| Capital outlay | - | - | - | 2,114,783 |
| Debt service: | | | | |
| Principal | - | 186,193 | - | 245,949 |
| Interest and bond issue costs | - | 38,684 | - | 54,194 |
| Total Expenditures | - | 284,161 | 215,248 | 16,661,088 |
| Excess (deficiency) of revenues over (under) expenditures | 148,740 | 207,656 | (215,248) | 244,215 |
| Other Financing Sources (Uses): | | | | |
| Issuance of bonds | - | - | - | 750,000 |
| Transfers in | - | - | - | 787,076 |
| Transfers out | (488,626) | - | - | (1,792,390) |
| Total Other Financing Sources (Uses) | (488,626) | - | - | (255,314) |
| Net change in fund balances | (339,886) | 207,656 | (215,248) | (11,099) |
| Fund Balances, beginning of year | 1,114,802 | (1,537,296) | 893,629 | 365,660 |
| Fund Balances, end of year | \$ 774,916 | \$ (1,329,640) | \$ 678,381 | \$ 354,561 |

(continued)

CITY OF BURLINGTON, VERMONT

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2023

(continued)

| | Permanent Funds | | | Debt Service Funds | | | Nonmajor Governmental Funds |
|--|---------------------|------------------|---------------------|---------------------|---------------------|---------------------|-----------------------------------|
| | Cemetery | Gift Fund | Subtotals | TIF Waterfront | TIF Downtown | Subtotals | |
| Revenues: | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 2,358,187 | \$ 2,164,319 | \$ 4,522,506 | \$ 5,745,484 |
| Licenses and permits | - | - | - | - | - | - | 158,676 |
| Intergovernmental | - | - | - | - | - | - | 9,011,522 |
| Charges for services | - | - | - | - | - | - | 5,619,691 |
| Contributions | - | - | - | - | 260,000 | 260,000 | 338,528 |
| Investment income (loss) | (14,669) | 62 | (14,607) | - | - | - | (18,807) |
| Loan repayments | - | - | - | - | - | - | 27,959 |
| Other | 6,956 | - | 6,956 | - | - | - | 797,105 |
| Total Revenues | (7,713) | 62 | (7,651) | 2,358,187 | 2,424,319 | 4,782,506 | 21,680,158 |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General government | - | - | - | 229,367 | 165,483 | 394,850 | 3,206,054 |
| Public works | - | - | - | - | - | - | 4,475,907 |
| Community development | - | - | - | - | - | - | 6,959,051 |
| Capital outlay | - | - | - | - | - | - | 2,114,783 |
| Debt service: | | | | | | | |
| Principal | - | - | - | 1,821,636 | 220,000 | 2,041,636 | 2,287,585 |
| Interest and bond issue costs | - | - | - | 322,592 | 1,210,283 | 1,532,875 | 1,587,069 |
| Total Expenditures | - | - | - | 2,373,595 | 1,595,766 | 3,969,361 | 20,630,449 |
| Excess (deficiency) of revenues over (under) expenditures | (7,713) | 62 | (7,651) | (15,408) | 828,553 | 813,145 | 1,049,709 |
| Other Financing Sources (Uses): | | | | | | | |
| Issuance of bonds | - | - | - | - | - | - | 750,000 |
| Transfers in | - | - | - | 1,140,176 | - | 1,140,176 | 1,927,252 |
| Transfers out | (23,455) | - | (23,455) | (468,469) | (149,247) | (617,716) | (2,433,561) |
| Total Other Financing Sources (Uses) | (23,455) | - | (23,455) | 671,707 | (149,247) | 522,460 | 243,691 |
| Net change in fund balances | (31,168) | 62 | (31,106) | 656,299 | 679,306 | 1,335,605 | 1,293,400 |
| Fund Balances, beginning of year | 1,238,937 | 38,480 | 1,277,417 | 2,408,724 | 4,289,076 | 6,697,800 | 8,340,877 |
| Fund Balances, end of year | \$ 1,207,769 | \$ 38,542 | \$ 1,246,311 | \$ 3,065,023 | \$ 4,968,382 | \$ 8,033,405 | \$ 9,634,277 |

See Independent Auditors' Report.

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NONMAJOR PROPRIETARY (ENTERPRISE) FUNDS

Enterprise funds are 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.

- 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

Combining Statement of Net Position

June 30, 2023

| | <u>Water</u> | <u>Stormwater</u> | <u>Total</u> |
|--|----------------------|---------------------|----------------------|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | |
| Assets: | | | |
| Current: | | | |
| Cash and cash equivalents | \$ 5,468,625 | \$ 1,299,041 | \$ 6,767,666 |
| Escrows | 60,000 | - | 60,000 |
| Receivables, net of allowance for uncollectibles: | | | |
| User fees | 1,790,522 | 351,245 | 2,141,767 |
| Intergovernmental | 692,978 | 1,078,388 | 1,771,366 |
| Inventory | 480,377 | - | 480,377 |
| Prepaid expenses | <u>5,252</u> | <u>-</u> | <u>5,252</u> |
| Total current assets | 8,497,754 | 2,728,674 | 11,226,428 |
| Noncurrent: | | | |
| Restricted cash | 941,480 | - | 941,480 |
| Capital assets: | | | |
| Land and construction in progress | 1,992,787 | 1,608,721 | 3,601,508 |
| Capital assets, net of accumulated depreciation | <u>15,943,850</u> | <u>3,862,833</u> | <u>19,806,683</u> |
| Total noncurrent assets | <u>18,878,117</u> | <u>5,471,554</u> | <u>24,349,671</u> |
| TOTAL ASSETS | 27,375,871 | 8,200,228 | 35,576,099 |
| Deferred Outflows of Resources: | | | |
| Pension related | 589,873 | - | 589,873 |
| OPEB related | <u>61,913</u> | <u>-</u> | <u>61,913</u> |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | <u>651,786</u> | <u>-</u> | <u>651,786</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u>\$ 28,027,657</u> | <u>\$ 8,200,228</u> | <u>\$ 36,227,885</u> |

(continued)

CITY OF BURLINGTON, VERMONT

Nonmajor Proprietary Funds

Combining Statement of Net Position

June 30, 2023

(continued)

| | <u>Water</u> | <u>Stormwater</u> | <u>Total</u> |
|--|-----------------------------|----------------------------|-----------------------------|
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | | | |
| Liabilities: | | | |
| Current: | | | |
| Accounts payable | \$ 676,107 | \$ 180,959 | \$ 857,066 |
| Accrued liabilities | 46,018 | 7,491 | 53,509 |
| Note payable | 904,883 | 1,728,220 | 2,633,103 |
| Other liabilities | 94,808 | - | 94,808 |
| Current portion of long-term liabilities: | | | |
| Bonds and loans payable | 334,203 | 23,123 | 357,326 |
| Equipment notes payable | 120,584 | - | 120,584 |
| Compensated absences liability | 202,960 | - | 202,960 |
| Total current liabilities | <u>2,379,563</u> | <u>1,939,793</u> | <u>4,319,356</u> |
| Noncurrent: | | | |
| Bonds and loans payable | 6,593,029 | 230,064 | 6,823,093 |
| Equipment notes payable | 235,547 | - | 235,547 |
| Net pension liability | 1,686,558 | - | 1,686,558 |
| Total OPEB liability | <u>137,374</u> | <u>-</u> | <u>137,374</u> |
| Total noncurrent liabilities | <u>8,652,508</u> | <u>230,064</u> | <u>8,882,572</u> |
| TOTAL LIABILITIES | 11,032,071 | 2,169,857 | 13,201,928 |
| Deferred Inflows of Resources: | | | |
| Pension related | 1,673 | - | 1,673 |
| OPEB related | 52,167 | - | 52,167 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 53,840 | - | 53,840 |
| NET POSITION | | | |
| Net investment in capital assets | 9,808,391 | 3,490,147 | 13,298,538 |
| Restricted for: | | | |
| Debt service/renewal and replacements | 941,480 | - | 941,480 |
| Unrestricted | <u>6,191,875</u> | <u>2,540,224</u> | <u>8,732,099</u> |
| TOTAL NET POSITION | <u>16,941,746</u> | <u>6,030,371</u> | <u>22,972,117</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | <u>\$ 28,027,657</u> | <u>\$ 8,200,228</u> | <u>\$ 36,227,885</u> |

See Independent Auditors' Report.

CITY OF BURLINGTON, VERMONT

Nonmajor Proprietary Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended June 30, 2023

| | <u>Water</u> | <u>Stormwater</u> | <u>Total</u> |
|--|----------------------|---------------------|----------------------|
| Operating Revenues: | | | |
| Charges for services | \$ 7,506,192 | \$ 1,808,078 | \$ 9,314,270 |
| Miscellaneous | <u>958,330</u> | <u>-</u> | <u>958,330</u> |
| Total Operating Revenues | 8,464,522 | 1,808,078 | 10,272,600 |
| Operating Expenses: | | | |
| Personnel | 3,666,278 | 121,685 | 3,787,963 |
| Nonpersonnel | 2,489,237 | 1,185,689 | 3,674,926 |
| Depreciation | <u>976,627</u> | <u>100,032</u> | <u>1,076,659</u> |
| Total Operating Expenses | <u>7,132,142</u> | <u>1,407,406</u> | <u>8,539,548</u> |
| Operating Income | 1,332,380 | 400,672 | 1,733,052 |
| Nonoperating Revenues (Expenses): | | | |
| Intergovernmental revenue | - | 375,489 | 375,489 |
| Investment income | 36,190 | - | 36,190 |
| Interest expense | (321,763) | (5,517) | (327,280) |
| Other income | 184,924 | 63,479 | 248,403 |
| Loss on disposal of capital assets | <u>(12,841)</u> | <u>(98,157)</u> | <u>(110,998)</u> |
| Total Nonoperating Revenues (Expenses), net | <u>(113,490)</u> | <u>335,294</u> | <u>221,804</u> |
| Income Before Transfers | 1,218,890 | 735,966 | 1,954,856 |
| Transfers out | <u>(423,060)</u> | <u>(33,577)</u> | <u>(456,637)</u> |
| Change in Net Position | 795,830 | 702,389 | 1,498,219 |
| Net Position at Beginning of Year, as restated | <u>16,145,916</u> | <u>5,327,982</u> | <u>21,473,898</u> |
| Net Position at End of Year | <u>\$ 16,941,746</u> | <u>\$ 6,030,371</u> | <u>\$ 22,972,117</u> |

See Independent Auditor's Report.

CITY OF BURLINGTON, VERMONT

Nonmajor Proprietary Funds

Combining Statement of Cash Flows

For the Year Ended June 30, 2023

| | <u>Water</u> | <u>Stormwater</u> | <u>Total</u> |
|--|--------------|-------------------|---------------|
| Cash Flows From Operating Activities: | | | |
| Receipts from customers and users | \$ 8,287,599 | \$ 1,787,366 | \$ 10,074,965 |
| Payments to suppliers | (2,459,017) | (1,298,757) | (3,757,774) |
| Payments for wages and benefits | (3,515,431) | (121,685) | (3,637,116) |
| Other receipts | 138,850 | - | 138,850 |
| | <hr/> | <hr/> | <hr/> |
| Net Cash Provided by Operating Activities | 2,452,001 | 366,924 | 2,818,925 |
| Cash Flows From Noncapital Financing Activities: | | | |
| Payment in lieu of taxes | (423,060) | (33,577) | (456,637) |
| Other activities | - | (34,678) | (34,678) |
| | <hr/> | <hr/> | <hr/> |
| Net Cash Proved by (Used for) Noncapital Financing Activities | (423,060) | (68,255) | (491,315) |
| Cash Flows From Capital and Related Financing Activities: | | | |
| Acquisition and construction of capital assets | (1,824,550) | (2,082,931) | (3,907,481) |
| Intergovernmental revenues | - | 375,489 | 375,489 |
| Drawdown on notes and loans | 88,986 | 235,358 | 324,344 |
| Release of escrow | 4,722 | - | 4,722 |
| Principal paid on: | | | |
| Bonds and loans | (277,892) | (22,670) | (300,562) |
| Notes | (122,399) | - | (122,399) |
| Interest paid on outstanding debt, including issue costs | (321,763) | (5,517) | (327,280) |
| | <hr/> | <hr/> | <hr/> |
| Net Cash Used for Capital and Related Financing Activities | (2,452,896) | (1,500,271) | (3,953,167) |
| Cash Flows From Investing Activities: | | | |
| Sale of investments | 8,214 | - | 8,214 |
| Investment income | 27,976 | - | 27,976 |
| | <hr/> | <hr/> | <hr/> |
| Net Cash Provided by Investing Activities | 36,190 | - | 36,190 |
| Net Decrease in Cash | (387,765) | (1,201,602) | (1,589,367) |
| Cash and short term investments at beginning of year | 6,797,870 | 2,500,643 | 9,298,513 |
| | <hr/> | <hr/> | <hr/> |
| Cash and short term investments at end of year | \$ 6,410,105 | \$ 1,299,041 | \$ 7,709,146 |

(continued)

CITY OF BURLINGTON, VERMONT
 Nonmajor Proprietary Funds
 Combining Statement of Cash Flows
 For the Year Ended June 30, 2023

(continued)

| | <u>Water</u> | <u>Stormwater</u> | <u>Total</u> |
|--|----------------------------|--------------------------|----------------------------|
| Adjustments to Reconcile Operating Income to Net Cash | | | |
| Provided by Operating Activities: | | | |
| Operating income | \$ 1,332,380 | \$ 400,672 | \$ 1,733,052 |
| Depreciation and amortization | 976,627 | 100,032 | 1,076,659 |
| Other receipts | 138,850 | - | 138,850 |
| Changes in assets, liabilities, and deferred outflows/inflows: | | | |
| (Increase)/decrease in receivables | (232,012) | (19,195) | (251,207) |
| (Increase)/decrease in inventory | (102,393) | - | (102,393) |
| (Increase)/decrease in prepaids | (1,360) | 122 | (1,238) |
| (Increase)/decrease in deferred outflows | (239,424) | - | (239,424) |
| Increase/(decrease) in accounts payable | 133,973 | (113,190) | 20,783 |
| Increase/(decrease) in accrued liabilities | 21,293 | (1,517) | 19,776 |
| Increase/(decrease) in net pension liability | 824,625 | - | 824,625 |
| Increase/(decrease) in total OPEB liability | 5,090 | - | 5,090 |
| Increase/(decrease) in compensated absences | (31,224) | - | (31,224) |
| Increase/(decrease) in other operating assets/liabilities | 55,089 | - | 55,089 |
| Increase/(decrease) in deferred inflows | <u>(429,513)</u> | <u>-</u> | <u>(429,513)</u> |
| Net Cash Provided by Operating Activities | <u>\$ 2,452,001</u> | <u>\$ 366,924</u> | <u>\$ 2,818,925</u> |

See Independent Auditors' Report.

**STATISTICAL
SECTION**



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CITY OF BURLINGTON, VERMONT

STATISTICAL SECTION

The City of Burlington’s Annual Comprehensive 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. | 152 - 156 |
| <i>Revenue Capacity</i> These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax. | 157 – 160 |
| <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. | 161 - 165 |
| <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. | 166 - 167 |
| <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 City provides and the activities it performs. | 168 - 170 |

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

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 ⁽¹⁾ | 2014 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental Activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 123,312,160 | \$ 115,249,799 | \$ 109,918,281 | \$ 96,007,615 | \$ 97,957,996 | \$ 93,012,142 | \$ 98,441,690 | \$ 92,236,468 | \$ 82,986,888 | \$ 104,389,306 |
| Restricted | 16,423,030 | 16,414,291 | 17,617,345 | 16,942,282 | 15,219,592 | 14,323,497 | 13,086,695 | 17,725,332 | 16,799,937 | 15,285,119 |
| Unrestricted | <u>(29,437,679)</u> | <u>(30,173,312)</u> | <u>(39,224,471)</u> | <u>(20,057,332)</u> | <u>(17,670,970)</u> | <u>(21,948,854)</u> | <u>(22,193,434)</u> | <u>(21,734,316)</u> | <u>(25,449,498)</u> | <u>(5,306,520)</u> |
| Total Governmental Activities Net Position | <u>110,297,511</u> | <u>101,490,778</u> | <u>88,311,155</u> | <u>92,892,565</u> | <u>95,506,618</u> | <u>85,386,785</u> | <u>89,334,951</u> | <u>88,227,484</u> | <u>74,337,327</u> | <u>114,367,905</u> |
| Business-type Activities | | | | | | | | | | |
| Net Investment in Capital Assets | 253,158,235 | 246,059,659 | 228,051,299 | 211,158,128 | 206,504,803 | 203,832,616 | 188,464,010 | 179,096,254 | 172,629,734 | 156,804,042 |
| Restricted | 28,930,562 | 23,802,616 | 23,609,161 | 26,048,179 | 25,574,212 | 25,304,795 | 22,670,943 | 20,812,890 | 19,319,510 | 32,017,674 |
| Unrestricted | <u>44,353,262</u> | <u>41,002,710</u> | <u>28,656,273</u> | <u>25,842,140</u> | <u>25,272,176</u> | <u>27,453,407</u> | <u>29,639,505</u> | <u>27,982,661</u> | <u>22,266,988</u> | <u>28,692,499</u> |
| Total Business-type Activities Net Position | <u>326,442,059</u> | <u>310,864,985</u> | <u>280,316,733</u> | <u>263,048,447</u> | <u>257,351,191</u> | <u>256,590,818</u> | <u>240,774,458</u> | <u>227,891,805</u> | <u>214,216,232</u> | <u>217,514,215</u> |
| Primary Government | | | | | | | | | | |
| Net Investment in Capital Assets | 376,470,395 | 361,309,458 | 337,969,580 | 307,165,743 | 304,462,799 | 296,844,758 | 286,905,700 | 271,332,722 | 255,616,622 | 261,193,348 |
| Restricted | 45,353,592 | 40,216,907 | 41,226,506 | 42,990,461 | 40,793,804 | 39,628,292 | 35,757,638 | 38,538,222 | 36,119,447 | 47,302,793 |
| Unrestricted | <u>14,915,583</u> | <u>10,829,398</u> | <u>(10,568,198)</u> | <u>5,784,808</u> | <u>7,601,206</u> | <u>5,504,553</u> | <u>7,446,071</u> | <u>6,248,345</u> | <u>(3,182,510)</u> | <u>23,385,979</u> |
| Total Primary Government Net Position | <u>\$ 436,739,570</u> | <u>\$ 412,355,763</u> | <u>\$ 368,627,888</u> | <u>\$ 355,941,012</u> | <u>\$ 352,857,809</u> | <u>\$ 341,977,603</u> | <u>\$ 330,109,409</u> | <u>\$ 316,119,289</u> | <u>\$ 288,553,559</u> | <u>\$ 331,882,120</u> |

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

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

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 ⁽¹⁾ | 2014 |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------------|-----------------|
| Expenses | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | \$ 23,731,535 | \$ 19,066,613 | \$ 15,818,581 | \$ 13,761,909 | \$ 14,432,574 | \$ 11,768,830 | \$ 12,334,976 | \$ 11,353,565 | \$ 12,393,196 | \$ 12,702,289 |
| Public Safety | 37,656,972 | 30,400,813 | 34,671,835 | 34,539,638 | 30,902,537 | 31,141,584 | 29,094,586 | 23,500,758 | 24,915,179 | 22,692,852 |
| Education | - | - | - | - | - | - | - | - | - | 77,470,770 |
| Public Works | 28,548,328 | 16,544,970 | 16,422,312 | 15,614,059 | 18,170,065 | 20,307,873 | 16,128,749 | 15,484,410 | 17,038,012 | 14,172,277 |
| Culture and Recreation | 16,761,796 | 14,225,917 | 12,626,487 | 13,222,555 | 13,288,900 | 12,469,970 | 14,185,639 | 10,066,735 | 10,736,031 | 9,965,826 |
| Community Development | 9,185,772 | 6,791,401 | 6,052,053 | 5,790,513 | 4,841,160 | 4,138,818 | 4,942,418 | 4,895,091 | 4,931,161 | 4,068,608 |
| Interest and related costs | 4,837,555 | 3,060,076 | 3,369,155 | 3,186,711 | 3,452,278 | 3,031,328 | 2,147,709 | 1,782,295 | 1,581,846 | 3,087,143 |
| Total Governmental Activities | 120,721,958 | 90,089,790 | 88,960,423 | 86,115,385 | 85,087,514 | 82,858,403 | 78,834,077 | 67,082,854 | 71,595,425 | 144,159,765 |
| Business-type Activities: | | | | | | | | | | |
| Electric | 64,555,032 | 59,858,694 | 58,937,546 | 61,751,695 | 65,188,585 | 63,111,205 | 63,449,764 | 63,912,747 | 62,408,788 | 65,061,544 |
| Airport | 26,113,474 | 25,084,353 | 22,106,092 | 23,077,643 | 23,490,832 | 21,861,382 | 20,368,534 | 19,753,724 | 20,288,983 | 20,772,761 |
| Telecom | - | - | - | - | - | - | - | - | - | 6,791,829 |
| Wastewater | 7,262,698 | 6,893,650 | 6,403,096 | - | - | - | - | - | - | 7,289,587 |
| Water | 7,453,905 | 7,261,932 | 6,507,175 | - | - | - | - | - | - | - |
| Stormwater | 1,412,923 | 1,292,727 | 1,180,141 | - | - | - | - | - | - | - |
| Nonmajor | - | - | - | 16,145,046 | 22,087,293 | 22,752,348 | 22,126,474 | 20,803,532 | 19,931,149 | 8,302,064 |
| Total Business-Type Activities | 106,798,032 | 100,391,356 | 95,134,050 | 100,974,384 | 110,766,710 | 107,724,935 | 105,944,772 | 104,470,003 | 102,628,920 | 108,217,785 |
| Total Expenses | 227,519,990 | 190,481,146 | 184,094,473 | 187,089,769 | 195,854,224 | 190,583,338 | 184,778,849 | 171,552,857 | 174,224,345 | 252,377,550 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| General Government | 5,344,012 | 5,248,259 | 5,374,748 | 5,413,493 | 5,783,844 | 4,470,554 | 5,204,079 | 5,043,853 | 5,289,088 | 4,938,750 |
| Public Safety | 7,406,852 | 6,495,660 | 6,034,683 | 7,875,882 | 6,364,052 | 5,899,089 | 5,737,200 | 6,997,158 | 5,587,200 | 6,526,060 |
| Education | - | - | - | - | - | - | - | - | - | 1,036,876 |
| Public Works | 6,918,325 | 6,037,290 | 4,939,896 | 5,062,264 | 8,373,019 | 8,830,665 | 8,448,998 | 8,898,625 | 7,475,742 | 7,766,867 |
| Culture and Recreation | 16,761,796 | 4,309,440 | 2,824,720 | 3,745,290 | 4,650,473 | 4,485,817 | 4,068,846 | 4,277,482 | 4,074,232 | 3,849,129 |
| Community Development | 1,393,603 | 1,250,517 | 995,855 | 491,935 | 313,478 | 393,178 | 315,042 | 221,533 | 714,715 | 250,361 |
| Operating Grants and Contributions | 13,157,710 | 17,738,576 | 7,251,577 | 3,840,247 | 4,989,785 | 4,305,455 | 4,110,352 | 4,515,575 | 5,922,165 | 84,297,547 |
| Capital Grants and Contributions | 17,494,823 | 4,485,286 | 2,323,823 | 2,850,272 | 2,792,967 | 2,191,005 | 3,232,947 | 4,688,216 | 3,112,726 | 2,339,931 |
| Total Governmental Activities | 68,477,121 | 45,565,028 | 29,745,302 | 29,279,383 | 33,267,618 | 30,575,763 | 31,117,464 | 34,642,442 | 32,175,868 | 111,005,521 |
| Business-type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Electric | 62,816,612 | 59,470,618 | 56,027,448 | 55,586,746 | 57,562,557 | 58,240,571 | 60,223,551 | 62,505,682 | 62,622,315 | 63,381,532 |
| Airport | 25,003,141 | 21,202,306 | 10,956,151 | 18,031,121 | 21,906,295 | 21,122,992 | 18,589,325 | 18,470,124 | 19,030,728 | 18,794,078 |
| Telecom | - | - | - | - | - | - | - | - | - | 7,246,329 |
| Wastewater | 9,102,060 | 8,458,113 | 7,997,538 | - | - | - | - | - | - | 7,726,659 |
| Water | 8,464,522 | 7,817,029 | 7,460,606 | - | - | - | - | - | - | - |
| Stormwater | 1,808,078 | 1,736,917 | 1,654,802 | - | - | - | - | - | - | - |
| Nonmajor | - | - | - | 16,829,429 | 23,553,092 | 25,199,526 | 24,582,213 | 24,151,054 | 21,464,113 | 8,943,170 |
| Operating Grants and Contributions | 160,600 | 160,600 | 7,829,276 | 2,422,651 | 325,454 | 172,648 | 218,384 | 205,387 | - | - |
| Capital Grants and Contributions | 9,665,648 | 25,505,966 | 19,532,185 | 8,747,918 | 10,483,527 | 15,034,601 | 11,025,482 | 9,118,954 | 7,431,502 | 7,722,603 |
| Total Business-type Activities | 117,020,661 | 124,351,549 | 111,458,006 | 101,617,865 | 113,830,925 | 119,770,338 | 114,638,955 | 114,451,201 | 110,548,658 | 113,814,371 |
| Total Program Revenues | 185,497,782 | 169,916,577 | 141,203,308 | 130,897,248 | 147,098,543 | 150,346,101 | 145,756,419 | 149,093,643 | 142,724,526 | 224,819,892 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | (52,244,837) | (44,524,762) | (59,215,121) | (56,836,002) | (51,819,896) | (52,282,640) | (47,716,613) | (32,440,412) | (39,419,557) | (33,154,244) |
| Business-type Activities | 10,222,629 | 23,960,193 | 16,323,956 | 643,481 | 3,064,215 | 12,045,403 | 8,694,183 | 9,981,198 | 7,919,738 | 5,596,586 |
| Total Net Expense | \$ (42,022,208) | \$ (20,564,569) | \$ (42,891,165) | \$ (56,192,521) | \$ (48,755,681) | \$ (40,237,237) | \$ (39,022,430) | \$ (22,459,214) | \$ (31,499,819) | \$ (27,557,658) |

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

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 ⁽¹⁾ | 2014 |
|--|----------------------|----------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property Taxes | \$ 52,738,186 | \$ 42,719,251 | \$ 39,532,493 | \$ 37,873,006 | \$ 35,648,435 | \$ 33,898,685 | \$ 33,253,448 | \$ 31,409,270 | \$ 33,054,429 | \$ 29,494,623 |
| Gross Receipts Taxes | 5,111,609 | 4,205,988 | 2,232,616 | 3,127,599 | 4,295,784 | 4,256,325 | 4,034,408 | 3,906,652 | 3,665,158 | 3,190,082 |
| Local Option Sales Tax | 3,031,484 | 2,878,650 | 2,472,926 | 2,500,822 | 2,519,691 | 2,537,181 | 2,329,007 | 2,239,937 | 2,179,587 | 2,125,034 |
| Payments in Lieu of Taxes | 1,695,326 | 1,517,590 | 1,356,734 | 5,749,014 | 5,726,314 | 5,466,512 | 5,248,985 | 5,079,036 | 2,395,762 | 2,257,824 |
| Franchise Fees | 2,505,165 | 2,076,281 | 2,076,347 | 2,075,759 | 2,137,957 | 2,142,580 | 2,161,617 | 2,376,990 | 2,128,227 | 2,193,447 |
| Impact Fees | 145,935 | 13,993 | 122,294 | 604,445 | 507,907 | 456,837 | 346,411 | 138,723 | 349,714 | 82,262 |
| Interest and Penalties on Delinquent Taxes | 575,384 | 497,304 | 611,103 | 431,415 | 498,980 | 400,071 | 303,370 | 339,034 | 356,550 | 368,602 |
| Unrestricted Investment Earnings | 1,657,351 | (607,119) | 391,205 | 911,468 | 723,079 | 334,817 | 249,012 | 193,991 | 100,725 | 634,071 |
| Other Revenues | 2,263,797 | 631,995 | 1,337,814 | 924,174 | 1,934,224 | 1,138,937 | 1,698,196 | 642,968 | 1,175,521 | 1,048,832 |
| Additions to permanent funds | - | - | - | 2,072 | 16,822 | 153 | 3,846 | 3,968 | 67,115 | 25,715 |
| Special items | - | - | - | - | - | - | (2,154,349) | - | - | (16,936,492) |
| Transfers | 3,055,346 | 3,770,452 | 4,500,179 | 22,175 | 7,930,536 | - | - | - | 28,921 | (97,572) |
| Total Governmental Activities | 72,779,583 | 57,704,385 | 54,633,711 | 54,221,949 | 61,939,729 | 50,632,098 | 47,473,951 | 46,330,569 | 45,501,709 | 24,386,428 |
| Business-type Activities: | | | | | | | | | | |
| Nonoperating grants | 2,881,288 | 5,179,514 | 125,331 | 989,780 | 1,095,955 | - | - | - | - | - |
| Unrestricted investment earnings (loss) | 934,346 | (133,927) | 118,861 | 444,119 | 536,989 | 233,657 | 158,415 | 184,630 | 127,214 | 291,397 |
| Dividends from associated companies | 4,399,511 | 4,335,722 | 4,326,608 | 4,268,944 | 4,282,667 | 4,147,819 | 3,516,718 | 3,236,147 | 3,128,753 | 2,907,831 |
| Other revenues | 194,646 | 492,649 | 1,053,709 | 168,958 | 1,444,855 | 109,565 | 513,337 | 273,598 | 429,794 | (368,970) |
| Special items | - | - | - | (795,851) | (606,888) | - | - | - | - | 16,936,492 |
| Transfers | (3,055,346) | (3,770,452) | (4,500,179) | (22,175) | (7,930,536) | - | - | - | (28,921) | 97,572 |
| Total Business-type Activities | 5,354,445 | 6,103,506 | 1,124,330 | 5,053,775 | (1,176,958) | 4,491,041 | 4,188,470 | 3,694,375 | 3,656,840 | 19,864,322 |
| Total Primary Government | 78,134,028 | 63,807,891 | 55,758,041 | 59,275,724 | 60,762,771 | 55,123,139 | 51,662,421 | 50,024,944 | 49,158,549 | 44,250,750 |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | 20,534,746 | 13,179,623 | (4,581,410) | (2,614,053) | 10,119,833 | (1,650,542) | (242,662) | 13,890,157 | 6,082,152 | (8,767,816) |
| Business-type Activities | 15,577,074 | 30,063,699 | 17,448,286 | 5,697,256 | 1,887,257 | 16,536,444 | 12,882,653 | 13,675,573 | 11,576,578 | 25,460,908 |
| Total Change in Net Position | \$ 36,111,820 | \$ 43,243,322 | \$ 12,866,876 | \$ 3,083,203 | \$ 12,007,090 | \$ 14,885,902 | \$ 12,639,991 | \$ 27,565,730 | \$ 17,658,730 | \$ 16,693,092 |

⁽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)

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 ⁽¹⁾ | 2014 |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| All Governmental Funds | | | | | | | | | | |
| Nonspendable | \$ 2,290,633 | \$ 2,926,219 | \$ 3,180,888 | \$ 2,759,993 | \$ 3,024,595 | \$ 2,387,669 | \$ 3,037,839 | \$ 3,856,421 | \$ 3,486,412 | \$ 3,958,011 |
| Restricted | 66,362,405 | 21,271,175 | 25,293,971 | 36,941,442 | 33,756,452 | 29,439,449 | 18,528,173 | 10,330,002 | 9,525,627 | 6,424,997 |
| Committed | 1,603,795 | 2,026,118 | 2,120,363 | 5,070,945 | 4,370,914 | 5,796,567 | 5,559,637 | 5,915,503 | 4,133,553 | 6,831,663 |
| Assigned | 7,799,673 | 8,914,744 | 7,268,980 | 11,000,463 | 10,182,818 | 6,564,153 | 3,619,252 | - | - | - |
| Unassigned | (6,005,281) | 3,935,630 | 1,903,410 | 5,120,057 | 7,866,652 | 8,318,152 | 4,358,533 | 4,046,532 | 2,385,971 | (2,997,049) |
| Total All Other Governmental Funds | <u>\$ 72,051,225</u> | <u>\$ 39,073,886</u> | <u>\$ 39,767,612</u> | <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> |
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 699,385 | \$ 1,370,793 | \$ 1,559,708 | \$ 1,119,120 | \$ 1,708,447 | \$ 1,114,361 | \$ 1,825,280 | \$ 2,661,874 | \$ 2,321,904 | \$ 2,845,487 |
| Restricted | 1,788,355 | 2,342,852 | 2,097,488 | 4,929,072 | 207,221 | 568,007 | 560,372 | 38,500 | 17,265 | 17,265 |
| Committed | 738,507 | 861,380 | 892,949 | 576,734 | 467,314 | 577,407 | 1,209,754 | 2,779,209 | 1,624,950 | 2,058,049 |
| Assigned | 7,799,673 | 8,914,744 | 7,268,980 | 11,000,463 | 10,182,818 | 6,564,153 | 3,619,252 | - | - | - |
| Unassigned | 6,530,495 | 8,637,873 | 9,272,827 | 8,618,219 | 9,497,207 | 9,713,896 | 8,409,087 | 6,520,495 | 4,287,378 | 71,822 |
| Total General Fund | <u>\$ 17,556,415</u> | <u>\$ 22,127,642</u> | <u>\$ 21,091,952</u> | <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> |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | \$ 1,591,248 | \$ 1,555,426 | \$ 1,621,180 | \$ 1,640,873 | \$ 1,316,148 | \$ 1,273,308 | \$ 1,212,559 | \$ 1,194,547 | \$ 1,164,508 | \$ 1,112,524 |
| Restricted | 64,574,050 | 17,924,106 | 23,196,483 | 32,012,370 | 33,549,231 | 28,871,442 | 17,967,801 | 10,291,502 | 9,508,362 | 6,407,732 |
| Committed | 865,288 | 1,164,738 | 1,227,414 | 4,494,211 | 3,903,600 | 5,219,160 | 4,349,883 | 3,136,294 | 2,508,603 | 4,773,614 |
| Assigned | - | - | - | - | - | - | - | - | - | - |
| Unassigned | (12,535,776) | (3,698,026) | (7,369,417) | (3,498,162) | (1,630,555) | (1,395,744) | (4,050,554) | (2,473,963) | (1,901,407) | (3,068,871) |
| Total All Other Governmental Funds | <u>\$ 54,494,810</u> | <u>\$ 16,946,244</u> | <u>\$ 18,675,660</u> | <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> |

⁽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)

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 ⁽¹⁾ | 2014 |
|--|----------------------|---------------------|------------------------|---------------------|---------------------|----------------------|----------------------|---------------------|---------------------|-----------------------|
| Revenues | | | | | | | | | | |
| Taxes | \$ 54,309,132 | \$ 50,678,266 | \$ 44,557,992 | \$ 43,387,460 | \$ 43,233,045 | \$ 40,923,397 | \$ 39,781,518 | \$ 39,097,706 | \$ 38,770,459 | \$ 35,721,358 |
| Payments in lieu of taxes | 1,695,326 | 1,517,590 | 1,356,734 | 5,749,014 | 5,726,314 | 5,466,512 | 5,248,985 | 5,079,036 | 2,395,762 | 2,257,824 |
| Licenses and permits | 4,713,220 | 3,844,029 | 3,303,733 | 4,011,578 | 4,505,473 | 4,749,082 | 5,570,707 | 5,082,269 | 3,866,933 | 4,396,587 |
| Intergovernmental | 28,673,585 | 20,687,620 | 7,884,093 | 4,444,005 | 6,069,799 | 7,155,317 | 6,857,683 | 8,569,938 | 8,717,811 | 86,426,117 |
| Charges for services | 24,034,455 | 21,587,412 | 19,064,811 | 20,863,873 | 23,667,671 | 21,987,715 | 21,090,765 | 21,499,084 | 21,781,930 | 21,636,460 |
| Contributions | 1,950,989 | 1,364,390 | 1,605,268 | 684,238 | 884,119 | 815,074 | 1,373,500 | 538,878 | - | - |
| Investment income (loss) | 1,657,351 | (607,119) | 391,204 | 911,468 | 723,081 | 340,281 | 249,013 | 193,993 | 100,725 | 634,070 |
| Loan repayments | 27,959 | 171,851 | 86,038 | 89,536 | 884,262 | 87,177 | 57,357 | 104,033 | 122,544 | 245,074 |
| Other revenue | 2,030,993 | 631,992 | 929,764 | 926,249 | 1,623,512 | 883,075 | 585,799 | 601,849 | 1,230,412 | 1,160,440 |
| Total Revenues | <u>119,093,010</u> | <u>99,876,031</u> | <u>79,179,637</u> | <u>81,067,421</u> | <u>87,317,276</u> | <u>82,407,630</u> | <u>80,815,327</u> | <u>80,766,786</u> | <u>76,986,576</u> | <u>152,477,930</u> |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 21,686,955 | 18,961,152 | 14,652,152 | 13,359,906 | 13,387,383 | 11,467,656 | 12,202,374 | 11,400,333 | 11,158,205 | 13,643,302 |
| Public safety | 33,389,941 | 31,253,528 | 30,618,604 | 30,917,348 | 28,614,540 | 27,882,465 | 26,493,268 | 25,561,099 | 24,668,195 | 22,734,841 |
| Education | - | - | - | - | - | - | - | - | - | 76,037,906 |
| Public works | 9,927,739 | 8,905,220 | 8,095,161 | 11,354,670 | 10,670,815 | 10,249,398 | 11,991,808 | 9,788,601 | 9,455,450 | 8,378,414 |
| Culture and Recreation | 14,309,409 | 12,836,743 | 10,746,269 | 11,996,243 | 13,319,453 | 12,175,770 | 11,241,909 | 12,100,903 | 11,624,098 | 10,355,792 |
| Community development | 8,040,473 | 6,608,656 | 5,771,944 | 4,461,396 | 4,465,263 | 3,839,541 | 4,636,189 | 4,125,042 | 4,081,123 | 3,915,514 |
| Capital Outlay ⁽²⁾ | 42,237,128 | 20,441,729 | 23,328,941 | 16,750,497 | 14,710,892 | 20,194,752 | 11,062,639 | 13,179,734 | 9,483,616 | 7,239,386 |
| Debt Service: | | | | | | | | | | |
| Principal | 7,210,416 | 6,861,070 | 11,551,630 | 6,293,729 | 7,026,187 | 4,996,847 | 4,545,560 | 4,117,610 | 3,373,102 | 4,950,428 |
| Interest and bond issue costs | 4,728,177 | 3,342,603 | 3,507,889 | 4,204,442 | 3,354,995 | 2,642,648 | 2,094,364 | 1,805,722 | 1,568,269 | 2,763,625 |
| Total Expenditures | <u>141,530,238</u> | <u>109,210,701</u> | <u>108,272,590</u> | <u>99,338,231</u> | <u>95,549,528</u> | <u>93,449,077</u> | <u>84,268,111</u> | <u>82,079,044</u> | <u>75,412,058</u> | <u>150,019,208</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | (22,437,228) | (9,334,670) | (29,092,953) | (18,270,810) | (8,232,252) | (11,041,447) | (3,452,784) | (1,312,258) | 1,574,518 | 2,458,722 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Issuance of bonds and loans | 45,635,000 | 1,750,000 | - | 9,225,000 | 6,113,659 | 24,739,547 | 10,966,360 | 5,062,083 | 5,934,807 | 3,989,967 |
| Issuance of refunding debt | - | - | - | 20,639,850 | - | - | 2,545,000 | 8,785,000 | - | - |
| Bond premium | 6,491,513 | 289,792 | - | 2,214,241 | 404,347 | 2,689,456 | 1,067,582 | 1,138,975 | - | - |
| Payment to refunding escrow | - | - | - | (12,138,987) | - | - | (2,837,850) | (10,044,139) | - | - |
| Sale of capital assets | 232,798 | - | - | - | - | - | 949,986 | - | - | 1,000,000 |
| Issuance of leases | - | - | 3,467,485 | - | 479,151 | 1,015,000 | 1,699,383 | 987,234 | 683,718 | - |
| Issuance of equipment notes | - | 2,830,700 | - | - | - | - | - | - | - | - |
| Transfers in | 10,337,440 | 10,903,471 | 10,273,734 | 7,704,985 | 13,140,055 | 3,993,825 | 2,804,088 | 4,532,340 | 4,363,550 | 4,190,396 |
| Transfers out | (7,282,094) | (7,133,019) | (5,773,554) | (7,682,810) | (5,209,519) | (3,993,825) | (2,804,088) | (4,532,340) | (4,334,629) | (4,287,968) |
| Total Other Financing Sources (Uses) | <u>55,414,657</u> | <u>8,640,944</u> | <u>7,967,665</u> | <u>19,962,279</u> | <u>14,927,693</u> | <u>28,444,003</u> | <u>14,390,461</u> | <u>5,929,153</u> | <u>6,647,446</u> | <u>4,892,395</u> |
| Special Items | - | - | - | - | - | - | - | - | - | (16,936,492) |
| Net Change in Fund Balances | <u>\$ 32,977,429</u> | <u>\$ (693,726)</u> | <u>\$ (21,125,288)</u> | <u>\$ 1,691,469</u> | <u>\$ 6,695,441</u> | <u>\$ 17,402,556</u> | <u>\$ 10,937,677</u> | <u>\$ 4,616,895</u> | <u>\$ 8,221,964</u> | <u>\$ (9,585,375)</u> |
| Debt Service as a Percentage of Noncapital Expenditures⁽³⁾ | 10.33% | 11.08% | 17.02% | 12.90% | 13.11% | 10.00% | 9.00% | 8.70% | 7.40% | 5.44% |

⁽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 |
|-------------|------------------|------------------------|-----------------------|
| 2023 | \$ 5,811,000,016 | \$ 5,811,000,016 | 0.7082 |
| 2022 | 5,770,209,118 | 5,770,209,118 | 0.6701 |
| 2021 | 3,915,820,752 | 5,378,760,856 | 0.8995 |
| 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 |

Source: Most recent Official Statement

As of April 1, 2021 a general reappraisal updated all assessments to 100% of actual value.

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 |
| 2023 | 0.7082 | 1.3891 | 1.4041 | 2.0973 | 2.1123 |
| 2022 | 0.6701 | 1.4553 | 1.5306 | 2.1254 | 2.2007 |
| 2021 | 0.8995 | 2.0576 | 2.1773 | 2.9571 | 3.0768 |
| 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 |

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

| 2023 | | | | 2014 | | |
|------|--|---------------------------|--|---------------------------------------|---------------------------|--|
| Rank | Taxpayer | Taxable Assessed Value | Percentage of Total Assessed Value | Taxpayer | Taxable Assessed Value | Percentage of Total Assessed value |
| 1 | University of Vermont, State AG. College | \$35,810,400 | 0.61% | Diamondrock Burlington Owner LLC | \$25,933,400 | 0.72% |
| 2 | Bayberry, LLC | 30,953,400 | 0.53% | UVM/Redstone Lofts LLC | 24,820,000 | 0.49% |
| 3 | Diamondrock Burlington Owner LLC | 27,667,500 | 0.47% | Burlington Town Center LLC | 20,837,900 | 0.58% |
| 4 | New Northgate Housing LLC | 27,508,500 | 0.47% | Fortieth Burlington LLC | 18,785,200 | 0.52% |
| 5 | Fortieth Burlington LLC | 27,000,000 | 0.46% | Burlington Harbor Hotel Group LLC | 16,833,400 | 0.47% |
| 6 | Burlington Electric Department | 23,136,200 | 0.40% | Burlington Electric Department / CVPS | 14,902,723 | 0.41% |
| 7 | Lakeside Ovens LLC | 22,167,300 | 0.38% | Antonio B Pomerleau LLC | 14,649,300 | 0.41% |
| 8 | Antonio B Pomerleau LLC | 21,243,900 | 0.36% | Vermont Electric Power | 13,197,200 | 0.37% |
| 9 | Vermont Gas Systems Inc | 19,015,800 | 0.32% | May Department Stores Co. | 11,123,400 | 0.31% |
| 10 | Vermont Electric Power Co | 17,418,800 | 0.30% | New Northgate Housing LLC | 11,089,000 | 0.31% |
| 11 | Burlington Harbor Hotel GP LLC | 15,756,100 | 0.27% | Howard Opera House Assoc LLC | 9,001,300 | 0.20% |
| 12 | Howard Opera House Assoc LLC | 14,651,400 | 0.25% | Champlain Housing Trust Inc. | 8,728,800 | 0.24% |
| 13 | 41 Cherry Street LLC | 14,541,600 | 0.25% | Vermont Gas Systems Inc. | 7,910,200 | 0.22% |
| 14 | Catamount/Van Ness, LLC | 13,878,200 | 0.24% | MP Vermont LLC | 7,882,300 | 0.22% |
| 15 | University of Vermont, Campus Planning S | 14,130,100 | 0.24% | UVM/Catamount Redstone Apts LLC | 7,830,000 | 0.22% |
| 16 | 375 North Avenue LLC | 13,848,200 | 0.24% | Lake and College LLC | 7,754,500 | 0.21% |
| 17 | 98 Starr Farm Road LLC | 13,351,800 | 0.23% | Investors Corporation of Vermont | 7,721,200 | 0.21% |
| 18 | South Meadow Apartments LP | 13,221,100 | 0.23% | Investors Corporation of Vermont | 7,649,000 | 0.21% |
| 19 | CityPlace Partners, LLC | 10,970,200 | 0.19% | Courthouse Plaza LLC | 7,060,000 | 0.20% |
| 20 | Nedde/Pine LLC | 11,683,200 | 0.20% | UVM / Centennial Court LP | 6,679,600 | 0.19% |
| | | \$ 387,953,700 | 6.63% | | \$ 250,388,423 | 6.71% |

Source: City Assessor's Office

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 |
| 2023 | \$ 121,890,964 | \$ 121,196,416 | 99.43% | \$ - | \$ 121,196,416 | 99.43% |
| 2022 | 124,905,368 | 124,488,150 | 99.67% | 1,010,631 | 125,498,781 | 100.48% |
| 2021 | 117,350,406 | 116,228,230 | 99.04% | 722,771 | 116,951,001 | 99.66% |
| 2020 | 110,431,040 | 109,137,882 | 98.83% | 908,904 | 110,046,786 | 99.65% |
| 2019 | 104,952,969 | 104,053,074 | 99.14% | 830,435 | 104,883,509 | 99.93% |
| 2018 | 99,731,639 | 98,880,869 | 99.15% | 838,517 | 99,719,386 | 99.99% |
| 2017 | 96,064,036 | 95,568,777 | 99.48% | 486,490 | 96,055,267 | 99.99% |
| 2016 | 93,015,324 | 92,467,139 | 99.41% | 540,322 | 93,007,461 | 99.99% |
| 2015 | 89,907,261 | 89,275,258 | 99.30% | 610,989 | 89,886,247 | 99.98% |
| 2014 | 83,526,157 | 82,869,824 | 99.21% | 643,035 | 83,512,859 | 99.98% |

Source: Most recent Official Statement for fiscal years 2014 - 2023 and Form 411 Billed Grand List and activity in the City's general ledger for fiscal year 2023.

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 and Loans Payable, Unamortized Premiums, and Unamortized Discounts | Equipment Notes Payable | Bonds and Loans Payable, Unamortized Premiums, and Unamortized Discounts | Equipment Notes Payable | Lease Payable | | | | | |
| 2023 | \$ 122,302,850 | \$ 4,511,182 | \$ 135,176,664 | \$ 4,171,589 | 1,504,836 | \$ 267,667,121 | 44,595 | \$ 6,002 | 15.88% | 1,685,200,455 |
| 2022 | 76,206,371 | 5,963,839 | 137,972,742 | 5,111,198 | 1,696,308 | 226,950,458 | 44,781 | 5,068 | 14.88% | 1,524,972,174 |
| 2021 | 80,030,613 | 4,580,268 | 117,812,996 | 3,777,316 | - | 206,201,193 | 44,743 | 4,609 | 16.18% | 1,274,280,640 |
| 2020 | 91,370,787 | 1,790,582 | 123,531,506 | 4,508,623 | - | 221,201,498 | 42,819 | 5,166 | 19.06% | 1,160,608,995 |
| 2019 | 77,932,346 | 2,465,159 | 128,394,863 | 4,650,126 | - | 213,442,494 | 42,899 | 4,975 | 19.72% | 1,082,384,669 |
| 2018 | 60,657,254 | 2,738,077 | 129,068,211 | 10,890,570 | - | 203,354,112 | 42,239 | 4,814 | 19.08% | 1,065,858,926 |
| 2017 | 52,906,348 | 2,301,048 | 127,683,406 | 7,319,392 | - | 190,210,194 | 44,020 | 4,321 | 17.12% | 1,110,800,680 |
| 2016 | 45,636,800 | 1,206,228 | 132,072,254 | 6,553,118 | - | 185,468,400 | 42,452 | 4,369 | 17.31% | 1,071,233,768 |
| 2015 | 46,423,144 | 1,086,318 | 131,660,511 | 6,834,297 | - | 186,004,270 | 42,452 | 4,382 | 17.40% | 1,069,280,976 |
| 2014 | 63,903,739 | 1,370,191 | 131,440,972 | 1,152,142 | - | 197,867,044 | 42,613 | 4,643 | 18.43% | 1,073,336,244 |

⁽¹⁾ United States Census Bureau

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

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 Net Debt to Assessed Value |
|-------------|----------------|---|-----------------------------|---------------------------|--------------------|------------------|---|
| 2023 | \$ 257,479,514 | \$ 135,176,664 | \$ 122,302,850 | 44,595 | \$ 2,743 | \$ 5,811,000,016 | 2.10% |
| 2022 | 214,179,113 | 137,972,742 | 76,206,371 | 44,781 | 1,702 | 5,770,209,118 | 1.32% |
| 2021 | 201,620,925 | 121,590,312 | 80,030,613 | 44,743 | 1,789 | 3,915,820,752 | 2.04% |
| 2020 | 219,410,916 | 128,040,129 | 91,370,787 | 42,819 | 2,134 | 3,866,923,799 | 2.36% |
| 2019 | 210,977,335 | 133,044,989 | 77,932,346 | 42,899 | 1,817 | 3,837,641,750 | 2.03% |
| 2018 | 200,616,035 | 139,958,781 | 60,657,254 | 42,239 | 1,436 | 3,821,048,690 | 1.59% |
| 2017 | 187,909,146 | 135,002,798 | 52,906,348 | 44,020 | 1,202 | 3,787,167,109 | 1.40% |
| 2016 | 184,262,172 | 138,625,372 | 45,636,800 | 42,452 | 1,075 | 3,736,048,309 | 1.22% |
| 2015 | 184,917,952 | 138,494,808 | 46,423,144 | 42,452 | 1,094 | 3,646,921,910 | 1.27% |
| 2014 | 196,496,853 | 132,593,114 | 63,903,739 | 42,613 | 1,500 | 3,617,870,130 | 1.77% |

* Does not include equipment notes and leases

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

⁽¹⁾ United States Census Bureau

CITY OF BURLINGTON, VERMONT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2023

| Jurisdiction | Net General Obligation Debt Outstanding | Percentage Applicable to the City | Amount Applicable to the City of Burlington |
|--|---|---|--|
| Direct: | | | |
| City of Burlington - Bonds and Loans | \$ 122,302,850 | 100.0% | \$ 122,302,850 |
| City of Burlington - Equipment Notes Payable | 4,511,182 | 100.0% | <u>4,511,182</u> |
| Subtotal - Direct Debt | | | <u>126,814,032</u> |
| Overlapping: | | | |
| Burlington School District | | 100.0% | <u>41,165,000</u> |
| Subtotal - Overlapping Debt | | | <u>41,165,000</u> |
| Grand Total Direct and Overlapping Debt | | | <u><u>\$ 167,979,032</u></u> |

Source: Outstanding debt for the Burlington School District is from the financial statements of the School District reported a discretely presented component unit for the City of Burlington.

Note: The Burlington School District is within geographic boundaries of the City. The debt of this overlapping government is borne by the property taxpayers of the City. When considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account.

Enterprise funds debt is excluded from the City's direct debt above as that is being repaid with user fees.

CITY OF BURLINGTON, VERMONT
 LEGAL DEBT MARGIN INFORMATION - GOVERNMENTAL ACTIVITIES
 JUNE 30, 2023

| | |
|--|------------------|
| Grand List Valuation | \$ 5,811,000,016 |
| Legal Debt Margin: | |
| Debt Limitation - Ten Percent of Last Grand List | 581,100,002 |
| Debt Applicable to Limitation | 80,030,613 |
| Legal Debt Margin | \$ 501,069,389 |
| Debt as Percentage of Debt Limit | 13.77% |

LEGAL DEBT MARGIN
 PRECEDING NINE YEARS

| Fiscal Year | Debt Limit | Applicable Debt | Legal Debt Margin | Debt as Percentage of Debt Limit |
|-------------|----------------|-----------------|-------------------|----------------------------------|
| 2022 | \$ 577,020,912 | \$ 76,206,371 | \$ 500,814,541 | 13.21% |
| 2021 | 533,352,710 | 80,030,613 | 453,322,097 | 15.01% |
| 2020 | 387,308,720 | 91,370,787 | 295,937,933 | 23.59% |
| 2019 | 382,748,400 | 77,932,346 | 304,816,054 | 20.36% |
| 2018 | 382,104,869 | 60,657,254 | 321,447,615 | 15.87% |
| 2017 | 378,715,711 | 52,906,348 | 325,809,363 | 13.97% |
| 2016 | 377,855,052 | 45,636,800 | 332,218,252 | 12.08% |
| 2015 | 373,604,831 | 46,423,144 | 327,181,687 | 12.43% |
| 2014 | 364,692,191 | 63,903,739 | 300,788,452 | 17.52% |

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 |
|-------------|-----------------|---------------------|---------------------------|-------------------------------|------------------------|---------------------------------|---------------------------------|--------------|-----------------------|--------------------------------|
| 2023 | \$ 22,655 | \$ 16,559 | \$ 6,096 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 2022 | 21,371 | 14,625 | 6,746 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 2021 | 16,763 | 12,943 | 3,820 | 1,128 | 4,948 | 282 | 5,230 | 3,605 | 1.37 | 1.45 |
| 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 |

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

Note: Debt service coverage is not applicable for fiscal year 2022 and 2023 due to refinancing that eliminated debt service payments in fiscal year 2022 and 2023.

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⁾ | | |
| 2023 | 44,595 | \$ 37,789 | \$ 1,685,200,455 | \$ 41,680 | \$ 64,931 | 1.80% | 1.90% | 946 | 76% |
| 2022 | 44,781 | 34,054 | 1,524,972,174 | 37,903 | 67,674 | 2.00% | 2.60% | 979 | 73% |
| 2021 | 44,743 | 28,480 | 1,274,280,640 | 58,650 | 61,973 | 2.80% | 5.60% | 988 | 70% |
| 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% |

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 2023 | | | Calendar Year 2014 | | |
|---|----------------------------|------|--|--------------------------|------|--|
| | Employees ^(1,2) | Rank | Percentage of Total City Employment ⁽³⁾ | Employees ⁽²⁾ | Rank | Percentage of Total City Employment ⁽³⁾ |
| Bay | 30,000 | 1 | 22.86% | | | |
| University of Vermont Medical Center | 7,500 | 2 | 5.72% | 5,383 | 1 | 4.34% |
| Brattleboro Retreat | 7,500 | 2 | 5.72% | | | |
| University of Vermont | 5,566 | 4 | 4.24% | 3,446 | 3 | 2.78% |
| School for International Training | 5,074 | 5 | 3.87% | | | |
| MEDLIFE | 5,000 | 6 | 3.81% | | | |
| Green Mountain Coffee Roasters | 5,000 | 6 | 3.81% | | | |
| Huber+Suhner | 4,823 | 8 | 3.68% | | | |
| Jouve | 3,001 | 9 | 2.29% | | | |
| Mack Group | 3,000 | 10 | 2.29% | | | |
| IBM | | | | 4,000 | 2 | 3.23% |
| City of Burlington and Burlington School District | | | | 1,612 | 4 | 1.30% |
| Howard Center | | | | 998 | 6 | 0.80% |
| People's United Bank | | | | 1,000 | 5 | 0.81% |
| Adecco | | | | 775 | 6 | 0.63% |
| Ben & Jerry's Homemade, Inc. | | | | 735 | 7 | 0.59% |
| GE Healthcare | | | | 700 | 8 | 0.56% |
| Dealer.com | | | | 675 | 9 | 0.54% |
| Green Mountain Power Corp | | | | 615 | 10 | 0.50% |
| | 76,464 | | 58.27% | 19,939 | | 16.08% |

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

| Function/Program | Full-time Equivalent Employees | | | | | | | | | |
|-------------------------------------|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| General Government: | | | | | | | | | | |
| Mayor's Office | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| Clerk/Treasurer's Office | 25.00 | 24.85 | 20.15 | 18.78 | 18.80 | 20.00 | 20.00 | 26.51 | 21.00 | 19.00 |
| Payroll | 4.00 | 3.25 | 3.25 | 3.85 | 3.85 | 4.00 | 4.00 | 4.00 | 4.00 | 3.00 |
| Central Computer | 8.00 | 7.00 | 7.00 | 7.00 | 6.00 | 6.00 | 6.00 | 4.00 | 6.00 | 3.00 |
| City Attorney's Office | 9.00 | 9.50 | 8.50 | 8.60 | 9.00 | 8.50 | 8.00 | 8.00 | 8.00 | 7.00 |
| Human Resources | 9.00 | 8.00 | 6.00 | 8.00 | 7.00 | 7.00 | 6.00 | 6.00 | 5.50 | 5.50 |
| Racial Equity Inclusion & Belonging | 11.00 | 11.00 | 12.00 | - | - | - | - | - | - | - |
| City Assessor | 5.00 | 5.00 | 5.00 | 4.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Planning and Zoning | 5.00 | 6.00 | 6.00 | 7.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 |
| GF-CEDO | 11.06 | 13.77 | 5.97 | 6.97 | 6.03 | 5.34 | 4.68 | 1.70 | - | - |
| Business & Workflow Development | 4.50 | - | - | - | - | - | - | - | - | - |
| Public Safety: | | | | | | | | | | |
| Fire | 93.00 | 92.80 | 93.80 | 83.80 | 85.80 | 84.80 | 81.80 | 80.80 | 79.80 | 79.80 |
| Police | 134.00 | 121.70 | 121.70 | 146.70 | 147.70 | 144.70 | 141.20 | 139.20 | 136.20 | 137.20 |
| DPW Inspection | - | - | - | - | 4.00 | 5.00 | 5.00 | 5.00 | 4.00 | 4.00 |
| Permitting and Inspections | 20.00 | 21.00 | 21.00 | 21.00 | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 | 11.00 |
| Public Works: | | | | | | | | | | |
| Highways | 48.15 | 51.35 | 52.35 | 44.35 | 41.35 | 42.55 | 43.45 | 43.45 | 42.90 | 42.90 |
| Public Works Administration | 5.00 | 5.00 | 5.00 | 6.00 | 6.00 | 5.00 | 4.00 | 4.00 | 4.00 | 6.00 |
| Culture and Recreation | 100.90 | 103.00 | 100.00 | 87.88 | 90.00 | 90.50 | 88.00 | 85.00 | 81.80 | 78.80 |
| General Fund Total | 496.61 | 487.22 | 471.72 | 457.93 | 452.53 | 450.39 | 439.13 | 434.66 | 420.20 | 412.20 |
| Burlington Electric | 117.60 | 117.60 | 117.60 | 118.00 | 118.00 | 129.00 | 129.00 | 131.90 | 125.00 | 128.00 |
| Burlington Telecom | - | - | - | - | - | 30.00 | 24.00 | 26.00 | 25.00 | 21.00 |
| Burlington International Airport | 49.00 | 49.00 | 54.00 | 51.80 | 51.40 | 51.00 | 39.50 | 39.00 | 42.00 | 41.00 |
| Water* | 33.00 | 33.00 | 32.25 | 30.25 | 24.50 | 24.50 | - | - | - | - |
| Stormwater* | 1.00 | 1.00 | 1.65 | 1.65 | 2.90 | 2.50 | - | - | - | - |
| Wastewater* | 18.00 | 18.00 | 16.25 | 15.25 | 16.25 | 15.65 | - | - | - | - |
| Total Employees | 715.21 | 705.82 | 693.47 | 674.88 | 665.58 | 703.04 | 631.63 | 631.56 | 612.20 | 602.20 |

* Note: The table above excludes Special Revenue Departments

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

| Function/Program | Fiscal Year | | | | | | | | | |
|---|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| General Government: | | | | | | | | | | |
| Full-time equivalent positions filled | 496.61 | 487.22 | 471.72 | 457.93 | 452.53 | 450.39 | 439.13 | 434.66 | 420.20 | 412.20 |
| Tax bills mailed | 10,687 | 10,686 | 10,629 | 10,700 | 10,682 | 10,686 | 10,670 | 10,714 | 10,737 | 10,685 |
| Active recreation programs | 377 | 266 | 254 | 311 | 286 | 290 | 283 | 285 | - | - |
| Recreation participants | 5,840 | 5,014 | 5,075 | 4,979 | 5,381 | 2,148 | 4,863 | 4,762 | - | - |
| Birth certificates recorded | 2,216 | 2,310 | 2,144 | 2,135 | 2,328 | 2,145 | 2,283 | 2,177 | 2,252 | 2,257 |
| Marriage licenses recorded | 395 | 387 | 265 | 320 | 377 | 360 | 375 | 229 | 401 | 599 |
| Death certificates recorded | 1,032 | 1,141 | 983 | 934 | 943 | 992 | 947 | 489 | 1,045 | 965 |
| Dog licenses issued | 935 | 915 | 855 | 828 | 946 | 1,082 | 1,153 | 1,175 | 1,256 | 1,191 |
| Public Safety: | | | | | | | | | | |
| Total cases | 27,969 | 22,723 | 21,310 | 26,953 | 28,848 | 29,684 | 30,517 | 28,608 | 28,243 | 31,182 |
| Number of traffic tickets | 200 | 301 | 259 | 423 | 467 | 632 | 803 | 1,990 | 1,938 | 1,793 |
| Number of traffic warnings | 301 | 293 | 738 | 1,461 | 1,703 | 2,095 | 2,289 | 3,507 | 4,822 | 4,432 |
| Fire incident responses | 10,349 | 9,261 | 7,539 | 8,137 | 8,229 | 7,895 | 7,598 | 7,305 | 7,338 | 7,326 |
| Water System: | | | | | | | | | | |
| Average daily consumption (gallons) | 3,816,000 | 3,955,000 | 3,849,000 | 3,716,000 | 3,640,000 | 3,638,333 | 3,703,666 | 3,753,328 | 3,976,008 | 3,649,433 |
| Wastewater System: | | | | | | | | | | |
| Average daily treatment (gallons) | 5,350,000 | 5,484,000 | 4,182,000 | 4,938,000 | 6,153,000 | 5,288,000 | 4,722,000 | 4,917,000 | 5,132,000 | 5,692,000 |
| Sludge disposed (tons) | 9,490 | 9,535 | 9,086 | 9,093 | 9,928 | 9,467 | 8,651 | 8,633 | 8,583 | 8,402 |
| Burlington International Airport | | | | | | | | | | |
| Enplanements | 649,309 | 545,853 | 186,799 | 519,874 | 693,208 | 623,489 | 597,799 | 595,244 | 600,402 | 617,301 |
| Burlington Electric Department | | | | | | | | | | |
| Sales to Customers - KWH (MM) | 317 | 320 | 317 | 315 | 331 | 330 | 336.2 | 338.2 | 336.2 | 342.8 |

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

| Function/Program | Fiscal Year | | | | | | | | | |
|---|-------------|------|------|------|------|------|------|------|------|------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| 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 | 49 | 44 | 44 | 44 | 45 | 45 | 45 | 45 | 45 | 44 |
| Number of fire stations | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Number of fire vehicles | 22 | 22 | 22 | 23 | 20 | 20 | 20 | 28 | 27 | 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 | 130 | 130 | 130 | 127 | 127 |
| Culture and Recreation: | | | | | | | | | | |
| Number of culture and recreation facilities | 4 | 4 | 4 | 4 | 6 | 6 | 6 | 6 | 5 | 5 |
| Acres of parks | 520 | 520 | 520 | 520 | 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 | 24 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 |
| Burlington Electric Department: | | | | | | | | | | |
| Number of facilities | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 12 | 12 | 12 |