

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



**FOR FISCAL YEARS ENDED**

**JUNE 30, 2021 AND 2020**

## Table of Contents

	<u>PAGE</u>
<b>Independent Auditors' Report</b>	1
<b>Management's Discussion and Analysis</b>	3
<b>Basic Financial Statements:</b>	
Statements of Net Position	8
Statements of Revenues, Expenses and Changes in Net Position	10
Statements of Cash Flows	11
Notes to Financial Statements	12
<b>Required Supplementary Information:</b>	
<b>Pension:</b>	
Schedule of Proportionate Share of the Net Pension Liability	29
Schedule of Pension Contributions	30
<b>OPEB:</b>	
Schedule of Proportionate Share of the Total OPEB Liability	31



## Independent Auditors' Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the Water Enterprise Fund of the City of Burlington, Vermont, (the Fund), as of and for the years ended June 30, 2021 and 2020 as listed in the Table of Contents.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditors' Responsibility*

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

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

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

---

Merrimack, New Hampshire  
Andover, Massachusetts  
Greenfield, Massachusetts  
Ellsworth, Maine



As discussed in Note 1, the financial statements present only the Fund and do not purport to, and do not, present fairly the financial position of the City of Burlington, Vermont, as of June 30, 2021 and 2020, and the changes in its financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Fund, as of June 30, 2021 and 2020, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

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

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

Melanson

Merrimack, New Hampshire  
March 23, 2022

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Burlington Water Enterprise Fund's (the Fund) annual financial report, management provides a narrative discussion and analysis of the financial activities for the year ended June 30, 2021. The Fund's performance is discussed and analyzed within the context of the accompanying financial statements and note disclosures following this section.

### Overview of the Financial Statements

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

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

### Financial Highlights:

The Statement of Net Position is designed to indicate our financial position as of a specific point in time. At June 30, 2021, it shows our net position of \$15,122,186, a change of \$551,156 in comparison to the prior year. The unrestricted net position increased from the prior year by \$306,703 as further explained in the following paragraph.

The Statement of Revenues, Expenses, and Changes in Net Position summarize our operating results and reveals how much, if any, of a profit was earned for the year. As noted above, net position in fiscal year 2021 increased by \$551,156, which is similar to the increase seen in FY20. The increases in net position are primarily due an increase in capital asset value and an increase in operating revenues due to demand that exceeded operating expenses. No rate increase was proposed for FY21 to provide relief to rate payers during COVID, but operating revenues increased based on the strength of billable usage from our residential, irrigation and wholesale account holders, despite the significant decrease in commercial usage during the first three quarters of FY 21.

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

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

**Statements of Net Position**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Assets:			
Current assets	\$ 7,143	\$ 6,605	\$ 7,063
Non-current assets	<u>17,801</u>	<u>17,835</u>	<u>17,377</u>
Total assets	24,944	24,440	24,440
Deferred outflows of resources	<u>642</u>	<u>501</u>	<u>634</u>
Total assets and deferred outflows of resources	<u>\$ 25,586</u>	<u>\$ 24,941</u>	<u>\$ 25,074</u>
Liabilities:			
Long-term liabilities	\$ 1,167	\$ 628	\$ 1,414
Other liabilities	<u>9,189</u>	<u>9,465</u>	<u>9,048</u>
Total liabilities	10,356	10,093	10,462
Deferred inflows of resources	108	277	561
Net position:			
Net investment in capital assets	10,927	10,683	10,579
Restricted	864	864	908
Unrestricted	<u>3,331</u>	<u>3,024</u>	<u>2,564</u>
Total net position	<u>15,122</u>	<u>14,571</u>	<u>14,051</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 25,586</u>	<u>\$ 24,941</u>	<u>\$ 25,074</u>

### Statements of Changes in Net Position

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating revenues	\$ 7,461	\$ 7,202	\$ 6,596
Operating expenses	<u>(6,171)</u>	<u>(5,949)</u>	<u>(5,438)</u>
Operating income	1,290	1,253	1,158
Nonoperating revenues (expenses)			
Other revenue	77	93	184
Other expense	<u>(351)</u>	<u>(347)</u>	<u>(859)</u>
Total nonoperating (expenses)	(274)	(254)	(675)
Net income before capital contributions	1,016	999	483
Payment in lieu of taxes	(473)	(457)	(443)
Other payments from/(to) the City	<u>8</u>	<u>(22)</u>	<u>-</u>
Change in net position	551	520	40
Beginning net position	<u>14,571</u>	<u>14,051</u>	<u>14,011</u>
Ending net position	<u>\$ 15,122</u>	<u>\$ 14,571</u>	<u>\$ 14,051</u>

#### Capital Assets:

Capital Assets – The Fund’s capital assets as of June 30, 2021 amount to 16,936,807. Capital assets include treatment plant, water mains, transmission and distributions lines, and other assets. The net capital assets increased slightly from prior year after depreciation. Major capital asset events during the current year included the following:

- Acquisition of vehicles totaling \$470,722, part of the master lease agreement signed in the previous fiscal year
- Purchase of new water plant heating system for \$149,853

Significant distribution related capital work was postponed in FY21 due to the challenges presented by the COVID-19 pandemic. This work was restarted in FY22. Tank rehabilitation of the 500,000 gallon Main Elevated Tank was close to completion at the end of FY21 but not complete.

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

#### Long-Term Debt:

Long-term Debt - At the end of the current fiscal year, total debt outstanding, including unamortized bond premiums, was \$7,564,934, a decrease of (\$296,074) from the prior year, all of which was backed by the full faith and credit of the government.

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

Debt Coverage - As the Water Division began to pay full debt service in fiscal year 2019 on our initial 2017 bond series sale, as well as subsequent bond series 2018 and 2018B, and then draws down fully on the current bond authorizations, pressure on the debt coverage ratio has increased in the recent years.

The debt coverage ratio continues to be pressured by the burdens of increasing operations and maintenance (O&M) costs due to inflation and potentially decreasing revenues due to increased water efficiency reducing overall demand. As the result of COVID, Water did not seek a rate increase in FY21, which is our primary method of ensuring sufficient Debt Coverage Ratio in the environment of increased expenses and as such the debt service coverage score decreased slightly even without new debt service being added at this time. Existing debt service does fluctuate slightly from year to year due to amortization schedules. New capital related debt service is next expected to impact the FY23 budget, as the Division draws down its remaining \$1.094 M from the 2018 bond vote with an FY22 State Revolving Fund Loan based project.

The Water Division maintains a rate planning model to forecast revenues needed to support increased O&M, strong debt coverage ratios and days of cash on hand and to support needed requests for rate increases with the approval of the City Council. A rate and affordability study was completed in FY21 and implemented for FY22 (see below Economic Factors and Next Year's Budgets and Rates).

The debt coverage score in fiscal year 2021 was 3.69, which is greater than the required score of 1.25.

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

### **Economic Factors and Next Year's Budgets and Rates**

We continue to monitor our billable usage for trends to the ongoing COVID-19 pandemic, and current usage patterns indicated a realignment to pre-pandemic levels for most customer classes until the Omicron variance surfaced. Our partnership with the State of Vermont's available grant programs to assist eligible account holders with paying their past due and current utility bills is ongoing and has proven successful. In FY 22, we implemented a new rate structure that focuses on ratepayer equity and affordability. The changes include fixed meter fees, volumetric rates based on customer class, private fire protection charges, along with a lifeline rate tier to protect essential water access and an assistance program providing fee waivers and rebate opportunities for eligible account holders.

The last of the 2016 Water Bond vote authorization (\$1.094M) will be drawn down starting in FY22. The Division is completing additional capital and financial feasibility planning work to determine the next tranche of capital investments that are necessary to support the drinking water system, including improvements at the Drinking Water Plant, the Reservoir Pump Station and continuing modest replacement or rehabilitation of the distribution system.



**REQUESTS FOR INFORMATION:**

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

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

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

	2021	2020
<b>ASSETS</b>		
Current:		
Cash and short-term investments	\$ 5,287,923	\$ 4,404,194
Escrows	-	466,904
User fee receivables, net of allowance for uncollectibles	1,464,022	1,423,903
Intergovernmental receivables	84,385	-
Inventory	305,842	308,097
Prepaid expenses	1,140	1,834
Total current assets	7,143,312	6,604,932
Noncurrent:		
Restricted cash for R&R reserve fund	100,000	100,746
Restricted cash for debt service reserve	534,662	534,622
Restricted cash for bond debt service fund	229,363	228,519
Land and construction in progress	343,145	95,872
Capital assets, net of accumulated depreciation	16,593,662	16,875,433
Total noncurrent assets	17,800,832	17,835,192
<b>TOTAL ASSETS</b>	24,944,144	24,440,124
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related:		
Changes in proportional share of contributions	185,622	167,594
Changes in assumptions	35,871	54,023
Difference between expected and actual experience	42,443	17,657
Difference between projected and actual investment earnings	146,595	8,640
Deferred current year pension contributions	166,218	174,773
OPEB related:		
Difference between expected and actual experience	1,340	1,802
Changes in assumptions	23,689	28,116
Change in proportional share of contributions	40,346	48,580
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	642,124	501,185
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	\$ 25,586,268	\$ 24,941,309

(continued)

(continued)

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

(continued)

	<u>2021</u>	<u>2020</u>
<b>LIABILITIES</b>		
Current:		
Accounts payable	\$ 306,772	\$ 110,424
Accrued liabilities	76,951	54,575
Notes payable	124,606	-
Other liabilities	30,258	28,119
Current portion of long-term liabilities:		
Revenue bonds	306,074	296,074
State revolving loans	7,662	7,097
Capital lease payable	107,851	112,459
Compensated absences	206,945	194,288
Total current liabilities	<u>1,167,119</u>	<u>803,036</u>
Noncurrent:		
Revenue bonds, net of current portion	7,104,410	7,410,484
State revolving loans, net of current portion	146,788	147,353
Net pension liability	1,379,559	1,072,298
Total OPEB liability	135,670	128,748
Capital lease payable, net of current portion	422,936	530,787
Total noncurrent liabilities	<u>9,189,363</u>	<u>9,289,670</u>
<b>TOTAL LIABILITIES</b>	<u>10,356,482</u>	<u>10,092,706</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related:		
Difference between expected and actual experience	5,086	23,069
Difference between projected and actual investment earnings	46,102	-
Changes in assumptions	26,269	48,250
Change in proportional share of contributions	14,647	193,633
OPEB related:		
Difference between expected and actual experience	14,162	10,827
Changes in assumptions	1,334	1,794
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>107,600</u>	<u>277,573</u>
<b>NET POSITION</b>		
Net investment in capital assets	10,927,102	10,682,787
Restricted	864,025	863,887
Unrestricted	3,331,059	3,024,356
<b>TOTAL NET POSITION</b>	<u>15,122,186</u>	<u>14,571,030</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$ 25,586,268</u>	<u>\$ 24,941,309</u>

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

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

	<u>2021</u>	<u>2020</u>
<b>Operating Revenues</b>		
Charges for services	\$ 6,606,571	\$ 6,487,311
Miscellaneous	<u>854,035</u>	<u>714,776</u>
Total Operating Revenues	7,460,606	7,202,087
<b>Operating Expenses</b>		
Personnel	3,142,009	2,988,314
Non-personnel	2,172,381	2,134,121
Depreciation	<u>856,626</u>	<u>826,713</u>
Total Operating Expenses	<u>6,171,016</u>	<u>5,949,148</u>
Operating Income	1,289,590	1,252,939
<b>Nonoperating Revenues/(Expenses)</b>		
CARES grant	28,229	-
Interest income	2,044	46,208
Interest expense	(336,159)	(351,290)
Other income	1,150	1,004
Amortization of bond premium	46,074	46,074
Gain (loss) on disposal of capital assets	<u>(15,129)</u>	<u>4,289</u>
Total Nonoperating Revenues/(Expenses)	<u>(273,791)</u>	<u>(253,715)</u>
Net Income Before Payments to City of Burlington	1,015,799	999,224
Payment in lieu of taxes	(472,484)	(457,193)
Other payments from/(to) the City	<u>7,841</u>	<u>(22,175)</u>
Change in Net Position	551,156	519,856
Net Position at Beginning of Year	<u>14,571,030</u>	<u>14,051,174</u>
Net Position at End of Year	<u>\$ 15,122,186</u>	<u>\$ 14,571,030</u>

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

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

	2021	2020
<b>Cash flows from operating activities:</b>		
Receipts from users and customers	\$ 7,422,626	\$ 6,976,560
Payments to suppliers	(1,973,085)	(2,251,945)
Payments for wages and benefits	(3,103,704)	(2,927,737)
Other receipts	1,150	1,004
Net cash provided by operating activities	2,346,987	1,797,882
<b>Cash flows from noncapital financing activities</b>		
Intergovernmental revenues	28,229	-
Payment in lieu of taxes	(472,484)	(457,193)
Reimbursement from/(to) City of Burlington	7,841	(22,175)
Cash used for noncapital financing activities	(436,414)	(479,368)
<b>Cash flows from capital and related financing activities:</b>		
Acquisition and construction of capital assets	(370,353)	(1,976,419)
Proceeds of short term state revolving loans	40,221	-
Proceeds from issuance of capital lease	-	648,866
Funding of the escrow from lease financing	-	(551,348)
Principal payments on revenue bonds	(250,000)	(240,000)
Principal payments on state revolving loans	-	(6,891)
Principal payments on capital lease obligations	(112,459)	(18,706)
Interest paid on outstanding debt	(336,159)	(351,290)
Net cash used by capital and related financing activities	(1,028,750)	(2,495,788)
<b>Cash flows from investing activities:</b>		
Investment income	2,044	46,208
Cash provided by investing activities	2,044	46,208
Net change in cash	883,867	(1,131,066)
Cash and cash equivalents, beginning of year	5,268,081	6,399,147
Cash and cash equivalents, end of year	\$ 6,151,948	\$ 5,268,081
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>		
Operating income	\$ 1,289,590	\$ 1,252,939
Adjustments to reconcile operating income to net cash provided from operating activities:		
Depreciation	856,626	826,713
Other revenues	1,150	1,004
Changes in assets, liabilities, and deferred outflows/inflows:		
Accounts receivable	(40,119)	(213,817)
Inventories	2,255	45,837
Customer deposits	2,139	(11,709)
Deferred outflows	(140,939)	132,487
Accounts payable	196,348	(169,149)
Accrued salaries and wages	22,376	8,660
Prepaid expenses	694	5,488
Net pension liability	307,261	70,997
Total OPEB liability	6,922	81,064
Accrued compensated absences	12,657	50,241
Deferred inflows	(169,973)	(282,873)
Net cash provided by operating activities	\$ 2,346,987	\$ 1,797,882

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

CITY OF BURLINGTON, VERMONT  
WATER ENTERPRISE FUND

NOTES TO THE FINANCIAL STATEMENTS

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. *The Financial Reporting Entity*

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

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

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

B. *Basis of Presentation*

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

C. *Measurement Focus*

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

#### *D. Basis of Accounting*

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

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

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

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

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

#### *E. Estimates*

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

#### *F. Cash and Short-term Equivalents*

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

#### *G. Receivables*

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

H. Inventories

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

I. Capital Assets

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

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

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

The depreciable lives of capital assets are as follows:

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

J. Long-Term Obligations

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

**2. CASH AND SHORT-TERM INVESTMENTS**

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



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

**3. USER FEES RECEIVABLE**

Receivables at June 30 consisted of the following:

	<u>2021</u>	<u>2020</u>
Billed user fees	\$ 903,013	\$ 876,086
Unbilled at year end	564,009	550,817
Less: allowance for doubtful accounts	<u>(3,000)</u>	<u>(3,000)</u>
Net user fees receivable	<u>\$ 1,464,022</u>	<u>\$ 1,423,903</u>

**4. INVENTORY**

Inventory at June 30 consisted of the following:

	<u>2021</u>	<u>2020</u>
Chemicals	\$ 26,915	\$ 32,173
Construction stock	213,540	209,393
Traffic meters	<u>65,387</u>	<u>66,531</u>
Total	<u>\$ 305,842</u>	<u>\$ 308,097</u>



**6. DEFERRED OUTFLOWS OF RESOURCES**

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

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

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

**8. CAPITAL LEASE OBLIGATIONS**

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

At June 30, 2021, the Fund had \$530,787 of capital leases outstanding. The capital leases are for various machinery, vehicles, and equipment. The capital lease interest amounts range from 1.64% to 4.15%.

Future minimum lease payments consisted of the following as of June 30, 2021:

<u>Fiscal Year</u>	<u>Amount</u>
2022	\$ 117,989
2023	117,988
2024	117,988
2025	117,988
2026	71,713
Thereafter	<u>16,337</u>
Subtotal	560,003
Less: amounts representing interest	<u>(29,216)</u>
Total	<u>\$ 530,787</u>

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

	<u>2021</u>
Machinery, vehicles, and equipment	\$ 742,882
Less: accumulated depreciation	<u>(80,307)</u>
Equipment under capital leases, net	<u>\$ 662,575</u>

**9. NOTES PAYABLE**

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

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

<u>Description</u>	Series Matures <u>Through</u>	<u>Interest Rate</u>	<u>Amount Issued</u>	Balance at		Repayments		Balance at
				<u>7/1/20</u>	<u>Additions</u>	<u>Repayments</u>	<u>6/30/21</u>	
SRL RF3-402-1.1	11/1/2029	0.00% \$	237,412 \$	- \$	124,606 \$	- \$	- \$	124,606

**10. LONG-TERM DEBT**

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

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

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

	Original Issue <u>Amount</u>	Serial Maturities <u>Through</u>	Interest Rate(s)	Amount Outstanding as of <u>6/30/21</u>
Design and Construction Loan RF3-295	\$ 253,340	11/1/2034	1.00%	\$ 154,450
Water System Revenue Bonds, Series 2017	\$ 3,250,000	11/1/2036	2.00 - 5.00%	2,885,000
Water System Revenue Bonds, Series 2018	\$ 2,000,000	11/1/2038	4.00 - 5.00%	1,875,000
Water System Revenue Bonds, Series 2018B	\$ 2,000,000	11/1/2038	5.00%	<u>1,880,000</u>
Total				<u>\$ 6,794,450</u>

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

Maturities are as follows:

Fiscal Year	Direct Borrowing		Direct Placement		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 260,000	\$ 412,200	\$ 7,662	\$ 4,421	\$ 267,662	\$ 416,621
2023	270,000	397,850	7,892	4,201	277,892	402,051
2024	280,000	381,925	8,129	3,975	288,129	385,900
2025	290,000	365,425	8,373	3,743	298,373	369,168
2026	310,000	347,250	8,624	3,503	318,624	350,753
2027 - 2031	1,810,000	1,413,625	47,160	13,661	1,857,160	1,427,286
2032 - 2036	2,295,000	768,000	54,672	6,495	2,349,672	774,495
2037 - 2039	1,125,000	106,875	11,938	342	1,136,938	107,217
	<u>\$ 6,640,000</u>	<u>\$ 4,193,150</u>	<u>\$ 154,450</u>	<u>\$ 40,341</u>	<u>\$ 6,794,450</u>	<u>\$ 4,233,491</u>

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

	2021					
	Total Balance 7/1/2020	Additions	Reduction	Total Balance 6/30/2021	Less Current Portion	Equals Long-Term Portion
	Public offering revenue bonds	\$ 6,890,000	\$ -	\$ (250,000)	\$ 6,640,000	\$ (260,000)
Add: unamortized premium	816,558	-	(46,074)	770,484	(46,074)	724,410
Subtotal	7,706,558	-	(296,074)	7,410,484	(306,074)	7,104,410
Direct placement state revolving loans	154,450	-	-	154,450	(7,662)	146,788
Net pension liability	1,072,298	307,261	-	1,379,559	-	1,379,559
Total OPEB liability	128,748	6,922	-	135,670	-	135,670
Capital leases	643,246	-	(112,459)	530,787	(107,851)	422,936
Compensated absences	194,288	12,657	-	206,945	(206,945)	-
Total	<u>\$ 9,899,588</u>	<u>\$ 326,840</u>	<u>\$ (408,533)</u>	<u>\$ 9,817,895</u>	<u>\$ (628,532)</u>	<u>\$ 9,189,363</u>

	2020					
	Total Balance 7/1/2019	Additions	Reduction	Total Balance 6/30/2020	Less Current Portion	Equals Long-Term Portion
	Public offering revenue bonds	\$ 7,130,000	\$ -	\$ (240,000)	\$ 6,890,000	\$ (250,000)
Add: unamortized premium	862,632	-	(46,074)	816,558	(46,074)	770,484
Subtotal	7,992,632	-	(286,074)	7,706,558	(296,074)	7,410,484
Direct placement state revolving loan:	161,341	-	(6,891)	154,450	(7,097)	147,353
Net pension liability	1,001,301	70,997	-	1,072,298	-	1,072,298
Total OPEB liability	47,684	81,064	-	128,748	-	128,748
Capital leases	13,086	648,866	(18,706)	643,246	(112,459)	530,787
Compensated absences	144,047	53,095	(2,854)	194,288	(194,288)	-
Total	<u>\$ 9,360,091</u>	<u>\$ 854,022</u>	<u>\$ (314,525)</u>	<u>\$ 9,899,588</u>	<u>\$ (609,918)</u>	<u>\$ 9,289,670</u>

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

On an annual basis, revenue must be sufficient after deducting operating expenses to meet minimum debt service coverage requirements of 1.25. Revenues for this purpose represent all rates, charges, rents, and other income for debt service. Operating expenses represent O&M (operation and maintenance), excluding depreciation. Certain other exclusions apply. City’s Bond Counsel has determined that the effects of GASB 68 and GASB 75 on pension and OPEB expenses are excludable from O&M and, therefore, not included in determining Net Revenues available for debt service. If minimum debt service coverage requirements are not met, the Fund must take timely corrective action. The Fund met the required debt coverage for Fiscal Year 2021 with 3.69 and in Fiscal Year 2020 with 3.88.

**11. RESTRICTED NET POSITION**

The Fund established a contingency reserve fund for the Series 2017 and Series 2018 bonds pursuant to the General Bond Resolution adopted December 9, 2013. For the years ended June 30, 2021 and 2020, restricted net position was comprised of the following at June 30:

	<u>2021</u>	<u>2020</u>
Restricted for renewal and replacement reserve	100,000	100,746
Restricted for debt service reserve fund	534,662	534,622
Restricted for debt service	<u>229,363</u>	<u>228,519</u>
Total	<u>\$ 864,025</u>	<u>\$ 863,887</u>

**12. RETIREMENT BENEFITS AND RESULTING NET PENSION LIABILITY**

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

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

At June 30, 2021, the Fund reported a net pension liability for its proportionate share of the City’s net pension liability per GASB 68. The net pension liability was measured as of June 30, 2020. At June 30, 2021 and 2020, the Fund’s proportion was 1.40% and 1.29%, respectively. For

more information on the City’s plan, see the City of Burlington VT Annual Comprehensive Financial Report.

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

Contributions: The Fund contributed \$174,773 and \$122,306 for the fiscal years ended June 30, 2021 and June 30, 2020, respectively. Beginning in FY19, the City is using the direct rate smoothing method for funding. The Fund’s contributions were based on full time equivalents and wages. Water employer and employee contribution rates are governed by the respective collective bargaining agreements. The employer and plan members share the cost of benefits. The plan members contribute 5.51% of the employee’s base pay.

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

Actuarial Assumptions: The net pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Payroll growth	3.00% per year
Investment rate of return	7.30% (Prior: 7.40%)

Mortality rates were based on the RP-2014 Adjusted to 2006 Total Dataset Mortality Table, projected to the valuation date with Scale MP-2020.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2012 through June 30, 2017, with discount rate updated from 7.40% to 7.30%.

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major class as of June 30, 2020 are summarized in the following table:

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

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

*Discount Rate:* The discount rate used to measure the total pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the fiduciary net position was projected to be available to make all future benefit payments to the current plan members.

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

Fund's net pension liability as of:	1% Decrease	Current Discount Rate	1% Increase
June 30, 2021	\$ 1,795,050	\$ 1,379,559	\$ 1,026,126
June 30, 2020	\$ 1,419,085	\$ 1,072,298	\$ 776,020

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



(inflows) of resources related to pension are recognized in pension expense in future fiscal years as follows:

Amortization Year	As of June 30, 2021	As of June 30, 2020
2021	\$ -	\$ (75,109)
2022	122,234	38,625
2023	111,507	7,952
2024	50,249	11,494
2025	34,437	-
	<u>\$ 318,427</u>	<u>\$ (17,038)</u>

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

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

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

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

General Information about the OPEB Plan

Plan Description

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

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

### Benefits Provided

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

### Funding Policy

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

### Contributions

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

### Actuarial Assumptions and Other Inputs

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

Inflation	2.60%, per year. This assumption is consistent with the Social Security Administration's current best estimate of the ultimate long-term (75-year horizon) annual percentage increase in CPI, as published in the 2019 OASDI Trustees Report.
Rate of annual aggregate payroll growth	2.60%, per year
Discount rate	2.16% as of June 30, 2021 (Prior: 2.21%)
Healthcare cost trend rates	6.50% in 2019, reducing by 0.2% each year to an ultimate rate of 4.60% per year rate for 2029 and later.

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

### Discount Rate

The discount rate used to measure the total OPEB liability was 2.16% and 2.21%, for the years ending June 30, 2021 and 2020, respectively.

Since the OPEB plan is not funded, the selection of the discount rate is consistent with the GASB 75 standards linking the discount rate to the 20- year AA municipal bond index for unfunded OPEB plans. The discount rate used for the valuation is equal to the published Bond Buyer general obligation 20 year-Bond Municipal Index effective as of June 30, 2021 and 2020.

### Total OPEB Liability

The Fund's total year-end OPEB liabilities were \$135,670 and \$128,748 as of June 30, 2021 and June 30, 2020, respectively. The OPEB liabilities as of June 30, 2021 and June 30, 2020 were determined by an actuarial valuation as of June 30, 2019.

### Changes in the Total OPEB Liability

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

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

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

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
2021 Total OPEB liability	\$155,300	\$135,670	\$119,420
2020 Total OPEB liability	\$147,289	\$128,748	\$113,407

### 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% Decrease	Healthcare Cost Trend Rates	1% Increase
2021 Total OPEB liability	\$121,968	\$135,670	\$152,477
2020 Total OPEB liability	\$116,762	\$128,748	\$143,352

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

For the years ended June 30, 2021 and 2020, the Fund recognized an OPEB expense of \$13,601 and \$11,568, respectively. The remaining amounts reported as deferred outflows and deferred (inflows) will be recognized in OPEB expense over the next 6 years.

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

#### 14. DEFERRED COMPENSATION PLAN

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

#### 15. RELATED PARTY TRANSACTIONS

During the year departments of the City bill the Fund pursuant to City ordinances and for services received. Related party transactions for the years ended June 30, 2021 and 2020 were as follows:

<u>Entity Paid by Water</u>	<u>Description of Service</u>	<u>2021</u>	<u>2020</u>
General Fund:			
Public Works Department	Administrative costs for water division operations	\$ 62,516	\$ 60,050
Public Works Department	Facility charges	35,017	35,021
Public Works Department	Equipment maintenance	139,531	101,362
Public Works Department	Excavation fees	50,000	50,000
Clerk/Treasurer's Office	Payment in lieu of taxes (PILOT) <sup>(1)</sup>	472,484	457,193
Clerk/Treasurer's Office	Administration and risk management fees, approved via budget process	267,469	241,694
City Attorney	Legal fees	18,699	19,970
Stormwater	Stormwater usage	5,104	5,104
Telecom	Data, internet, phone usage	36,552	35,634
Burlington Electric Department	Electricity usage	410,199	407,181
Total related party transactions		\$ 1,497,571	\$ 1,413,209

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

#### 16. COMMITMENTS AND CONTINGENCIES

Grants - Amounts received or receivable from grantor agencies, including possible grant assurance violations at the Fund, are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenses which may

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

**17. RISK MANAGEMENT**

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

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

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

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

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

The City has elected to pay actual unemployment claims instead of enrolling in an unemployment insurance program. The Fund did not incur unemployment claims during fiscal year 2021. The Fund paid \$6,027 in unemployment claims during fiscal year 2020.

**18. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through March 23, 2022, which is the date the financial statements were available to be issued.

**19. NEW ACCOUNTING PRONOUNCEMENTS**

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

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

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

(Unaudited)

Burlington Employees' Retirement System						
Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2021	June 30, 2020	1.40%	\$1,379,559	\$1,746,593	78.99%	66.37%
June 30, 2020	June 30, 2019	1.29%	\$1,072,296	\$1,311,943	81.73%	70.00%
June 30, 2019	June 30, 2018	1.32%	\$1,001,301	\$1,240,307	80.73%	71.41%
June 30, 2018	June 30, 2017	0.86%	\$754,288	\$1,200,056	62.85%	66.77%
June 30, 2017	June 30, 2016	1.92%	\$1,712,439	\$1,172,612	146.04%	63.75%
June 30, 2016	June 30, 2015	1.72%	\$1,169,736	\$1,033,848	113.14%	70.35%
June 30, 2015	June 30, 2014	1.47%	\$790,242	\$1,033,848	76.44%	75.00%

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

See Independent See Independent Auditors' Report.

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

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

(Unaudited)

Burlington Employees' Retirement System

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2021	\$ 174,773	\$ 174,773	\$ -	\$ 1,941,633	9%
June 30, 2020	\$ 122,306	\$ 122,306	\$ -	\$ 1,746,593	7%
June 30, 2019	\$ 158,374	\$ 158,374	\$ -	\$ 1,311,943	12%
June 30, 2018	\$ 146,939	\$ 146,939	\$ -	\$ 1,240,307	12%
June 30, 2017	\$ 175,734	\$ 175,734	\$ -	\$ 1,200,056	15%
June 30, 2016	\$ 151,712	\$ 151,712	\$ -	\$ 1,172,612	13%
June 30, 2015	\$ 130,962	\$ 130,962	\$ -	\$ 1,033,848	13%

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

See Independent Auditors' Report.



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

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

(Unaudited)

City OPEB Plan

Fiscal Year	Measurement Date	Proportion of the Total OPEB Liability	Proportionate Share of the Total OPEB Liability	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2021	June 30, 2021	1.9554%	\$135,670	\$869,288	15.61%
June 30, 2020	June 30, 2020	1.9554%	\$128,748	\$847,259	15.20%
June 30, 2019	June 30, 2019	0.8938%	\$47,684	\$880,156	5.42%
June 30, 2018	June 30, 2018	0.8938%	\$44,570	\$857,852	5.20%

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

See Independent Auditors' Report.