Special Board of Finance Meeting - Monday, March 13, 2023, 5:30 PM, Contois Auditorium OR REMOTELY via ZOOM

5:30 pm, Bushor Conference Room, City Hall, 1st Floor OR Remotely via ZOOM:
Please click the link below to join the webinar:
https://zoom.us/j/94499826763
Or One tap mobile : US: +19292056099 Or Telephone: US: +1 929 205 6099
Webinar ID: 944 9982 6763
****CCTV link: https://www.youtube.com/playlist?list=PLljLFn4BZd2PwCge7lNoKug676jIf_iUA ****

To participate in Public Forum in person, sign up at the meeting.
To participate in Public Forum via ZOOM sign up here:
https://www.burlingtonvt.gov/citycouncil/publicforum

Do not sign up in person and via Zoom - select one only

1. Agenda

Subject	**1.1. Motion to amend/adopt agenda**
Meeting	March 13, 2023 - Special Board of Finance Meeting - Monday, March 13, 2023, 5:30 PM, Contois Auditorium OR REMOTELY via ZOOM
Category	1. Agenda
Type	Action Procedural
Recommended Action	motion to amend/adopt the agenda

2. Public Forum **See above for signup instructions**

Subject	**2.1. Verbal Comments**
Meeting	March 13, 2023 - Special Board of Finance Meeting - Monday, March 13, 2023, 5:30 PM, Contois Auditorium OR REMOTELY via ZOOM
Category	2. Public Forum **See above for signup instructions**
Type	Action Procedural

3. For Approval and Recommendation to the City Council

Subject	**3.1. Acceptance And Approval Of The FY2022 Audit - CT**
Meeting	March 13, 2023 - Special Board of Finance Meeting - Monday, March 13, 2023, 5:30 PM, Contois Auditorium OR REMOTELY via ZOOM
Category	3. For Approval and Recommendation to the City Council
Type	Action
Recommended Action	to recommend that the City Council approve the attached resolution

Subject	**3.2. Creation of Budget Manager Position, and reclassification of one (1) Clerk/Treasurer Position - CT/HR**
Meeting	March 13, 2023 - Special Board of Finance Meeting - Monday, March 13, 2023, 5:30 PM, Contois Auditorium OR REMOTELY via ZOOM
Category	3. For Approval and Recommendation to the City Council
Type	Action

Recommended Action

- To approve and recommend that City Council approve the creation of the Budget Manager position, a Regular, Full-Time, Non-Exempt, Non-Union, Grade 22, role in the Clerk/Treasurer's Office.

- To approve and recommend that City Council approve the reclassification of the Accounting Assistant, a Regular, Full-time, Non-exempt, AFSCME, Grade 12, position to Customer Service Associate, a regular, Full-time, Non-exempt, AFSCME, Grade 14, position in the Clerk/Treasurer's Office.

Subject	**3.3. Request to accept funding from Department of Mental Health for Crisis Team - Police**
Meeting	March 13, 2023 - Special Board of Finance Meeting - Monday, March 13, 2023, 5:30 PM, Contois Auditorium OR REMOTELY via ZOOM
Category	3. For Approval and Recommendation to the City Council
Type	Action
Recommended Action	To approve and recommend that the City Council approve and authorize the Acting Chief of Police to execute all necessary documentation in acceptance of the Vermont Department of Mental Health grant awarded to the City in the total amount of $667,252.00 for a two year, 50/50 cost share for the implementation of the Medical Enhanced Mobil Response Team, upon final review and approval of the City Attorney's Office.

4. Board of Finance Approval Only

Subject	**4.1. Use of Council Initiative Funds for Public Art Mural in the New North End - Parks, Arts, Culture Committee**
Meeting	March 13, 2023 - Special Board of Finance Meeting - Monday, March 13, 2023, 5:30 PM, Contois Auditorium OR REMOTELY via ZOOM
Category	4. Board of Finance Approval Only
Type	Action
Recommended Action	to approve the use of $10,000 of Councilor initiative funds to create a mural in the New North End

5. Adjournment

Subject	**5.1. Motion to adjourn**
Meeting	March 13, 2023 - Special Board of Finance Meeting - Monday, March 13, 2023, 5:30 PM, Contois Auditorium OR REMOTELY via ZOOM
Category	5. Adjournment
Type	Action Procedural
Recommended Action	motion to adjourn

Resolution Relating to

ACCEPTANCE AND APPROVAL OF THE FY2022 AUDIT

RESOLUTION_______
Sponsor(s): Board of Finance
Introduced: ____________________
Referred to: ____________________
____
Action: ________________________
Date: __________________________
Signed by Mayor: ________________

CITY OF BURLINGTON

In the year Two Thousand Twenty-Three ……………………………………………………………………

Resolved by the City Council of the City of Burlington, as follows:

That WHEREAS, the City's auditors, Melanson, Heath & Co., P.C., have completed the City audit for the fiscal year July 1, 2021 to June 30, 2022; and

WHEREAS, the auditor has prepared a management letter to accompany that audit; and

WHEREAS, during the audit the auditor did not identify any deficiencies in internal controls that were considered to be material weaknesses; and

WHEREAS, the City has responded to the items in the management letter; and

WHEREAS, on January 17, 2023 the Board of Finance reviewed the draft results and on March 13, 2023 has accepted the audit and recommended that the City Council approve and accept the audit, including the management letter;

NOW, THEREFORE, BE IT RESOLVED that the City Council approves and accepts the City's Fiscal Year 2023 audit, including the management letter.

KS/JP/Resolutions 2023/**ACCEPTANCE AND APPROVAL OF THE FY22 AUDIT**
MARCH 9, 2023

CITY OF BURLINGTON, VERMONT
ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED
JUNE 30, 2022

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CITY OF BURLINGTON, VERMONT
Annual Comprehensive Financial Report
For the Year Ended June 30, 2022

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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STATISTICAL SECTION:

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INTRODUCTORY SECTION

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OFFICE OF THE CLERK/TREASURER
City of Burlington

City Hall, Room 20, 149 Church Street, Burlington, VT 05401

Voice (802) 865-7000
Fax (802) 865-7014
TTY (802) 865-7142

February 28, 2023

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, 2022, 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 2022 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 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 Melanson. The independent auditor's 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 auditor's 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 Burlington International Airport serves over 1.2 million passengers per year and accommodates non-stop air service to all three New York City metropolitan area airports, Philadelphia, both Washington D.C. airports, Chicago, Atlanta, Charlotte, NC, 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, 2022, the City of Burlington employed approximately 682 full time employees, excluding school employees, and including 112 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 a new Governmental Accounting Standards Board (GASB) Statement Number 87, *Leases*, in the current fiscal year, which resulted in significant change in accounting principles for the City's Major Enterprise Fund, the Burlington International Airport.

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 1.8% in July 2022. The State's unemployment rate was 2.2% as of July 2022.

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 2021, the median sales price of single-family homes in Burlington has increased 44% to $439,350 in 2021. Market appreciation in the past 2-years (8% in 2020 and 15% in 2021) is significantly above the 10-year average of 4%. 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

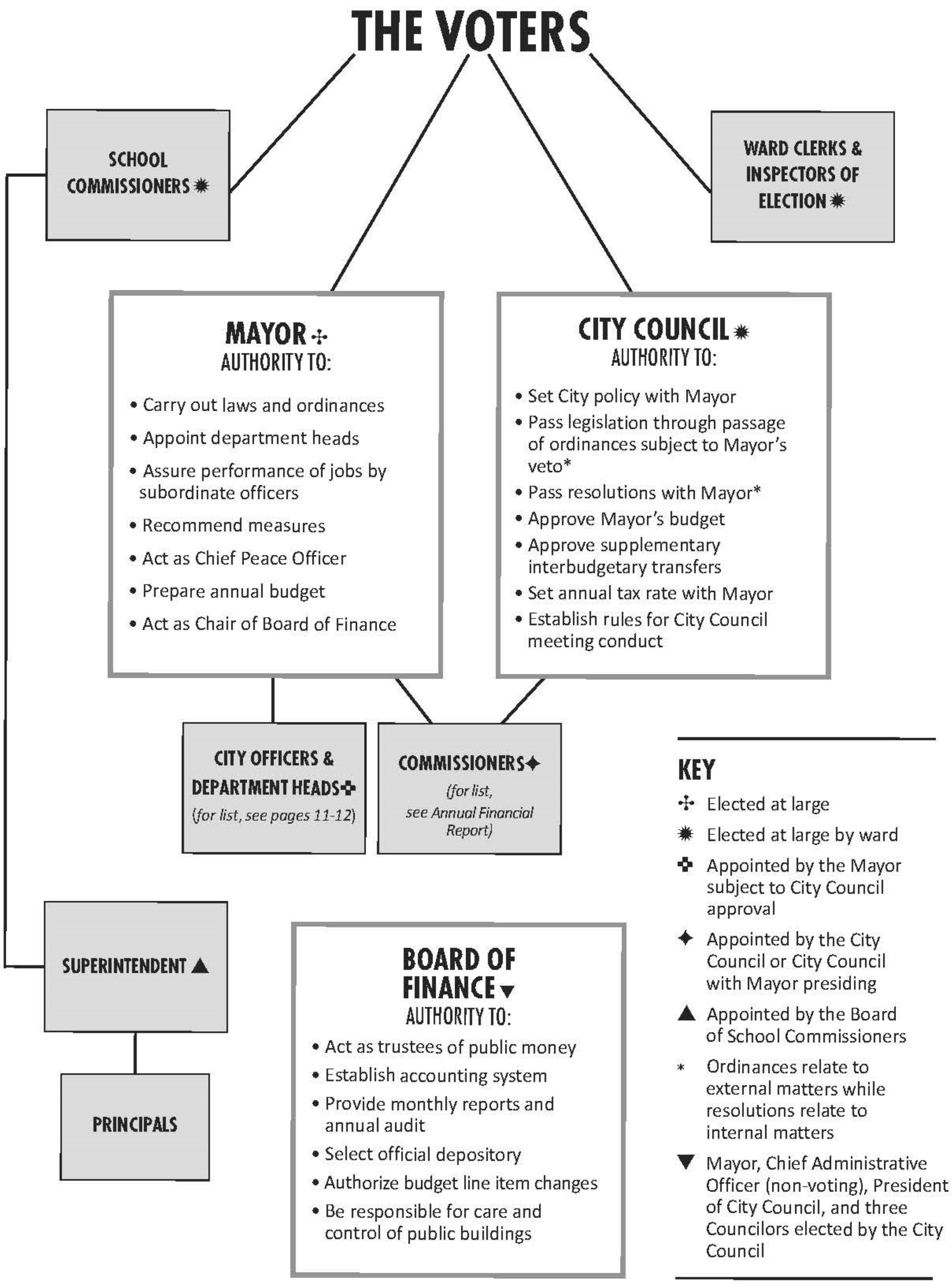
fiscal policies established by the Mayor and City Council and the hard work and dedication of the Clerk/Treasurer's team.

Respectfully submitted,

Katherine Schad
Chief Administrative Officer

Ann Barton
Comptroller

City Organizational Chart



CITY OF BURLINGTON, VERMONT
PRINCIPAL OFFICIALS

		Initial Term Commenced	Current Term Expires
Miro Weinberger	*Mayor*	*2012*	*2024*

City Council

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

CITY OF BURLINGTON, VERMONT
CITY OFFICIALS APPOINTED BY THE MAYOR

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. . . . . **John Vickery**

City Attorney . . . . **Kimberlee Sturtevant (Acting)**

Chief Administrative Officer . . . . **Katherine Schad**

Assistant City Attorney . . . . **Jared Pellerin**

Assistant City Attorney . . . . **Hayley McClenahan**

Assistant City Attorney . . . . **Kyle Clauss**

Director of Business Workforce & Development . . . . **Kara Alnasrawi**

Director, Community & Economic Development Office . . . . **Brian Pine**

General Manager, Electric Department. . . . . **Darren Springer**

Fire Department Chief and Emergency Management/Civil Engineer . . . .
. . . . **Derek Libby (Acting)**

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 (Acting)**

Director, Department of Public Works. . . . . **Chapin Spencer**

Director, Racial Equity, Inclusion & Belonging . . . . **Kimberly Carson**

City Engineer and Surveyor . . . . **Norman J. Baldwin**

Harbor Master . . . . **Erin Moreau**

Superintendent, Cemetery Department. . . . . **Cindi Wight**

City Grand Juror . . . . **Vacant**

Assistant City Grand Juror . . . . **Kimberlee J. Sturtevant**

City Constable. . . . .**Theodore Miles**

Second Constable . . . . **Jared Pellerin**

Third Constable. . . . . **William Ward**

Fourth Constable. . . . .**Hayley McClenahan**

Pound Keeper . . . . **Matthew Sullivan**

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Burlington Vermont

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

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MELANSON

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 aggregate 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, 2022, 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, 2022, 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 36 percent, 20 percent, and 59 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

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

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Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's 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

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

Auditor's 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 auditor's 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 auditor's 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.

Emphasis of Matter

As discussed in Note 1G to the financial statements, in the year ending June 30, 2022, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement Number 87, *Leases*. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2023 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.

Melanson

Merrimack, New Hampshire
February 28, 2023

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BASIC FINANCIAL STATEMENTS

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THE CITY OF BURLINGTON

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, 2022.

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 $412,355,763 (net position), an increase of $43,243,322 in comparison to the prior year.
- Total net position of the City's component unit, the Burlington School District, amounted to $25,960,225, an increase of $2,547,352 for the year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of $39,073,886, a decrease of $693,726 in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $8,637,873, a decrease of $634,954 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 $18,413,997.

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:

NET POSITION (000s)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	$ 73,091	$ 70,912	$ 169,183	$ 112,735	$ 242,274	$ 183,647
Capital assets	191,671	182,047	356,192	333,585	547,863	515,632
Total assets	264,762	252,959	525,375	446,320	790,137	699,279
Deferred outflows of resources	12,960	17,902	5,459	7,670	18,419	25,572
Total assets and deferred outflows of resources	$ 277,722	$ 270,861	$ 530,834	$ 453,990	$ 808,556	$ 724,851
Long-term liabilities outstanding	$ 131,317	$ 160,753	$ 162,556	$ 147,374	$ 293,873	$ 308,127
Other liabilities	22,605	19,651	23,720	18,850	46,325	38,501
Total liabilities	153,922	180,404	186,276	166,224	340,198	346,628
Deferred inflows of resources	22,309	2,146	33,693	6,965	56,002	9,111
Net position:						
Net investment in capital assets	115,250	109,918	246,060	228,051	361,310	337,969
Restricted	16,414	17,617	23,802	23,610	40,216	41,227
Unrestricted	(30,173)	(39,224)	41,003	29,140	10,830	(10,084)
Total net position	101,491	88,311	310,865	280,801	412,356	369,112
Total liabilities, deferred inflows of resources and net position	$ 277,722	$ 270,861	$ 530,834	$ 453,990	$ 808,556	$ 724,851

The largest portion of net position $361,309,458 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 $40,216,907 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is $10,829,398, which represents a combination of our governmental activities and business-type activities. Our governmental activities unrestricted net position is a deficit of $30,173,312. 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 $41,002,710. About 39% 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:

CHANGES IN NET POSITION (000s)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	$ 23,341	$ 20,170	$ 98,685	$ 84,097	$ 122,026	$ 104,267
Operating grants and contributions	17,739	7,252	161	7,829	17,900	15,081
Capital grants and contributions	4,485	2,324	25,506	19,352	29,991	21,676
General revenues:						
Property taxes	42,719	39,532	-	-	42,719	39,532
Gross receipts taxes	4,206	2,233	-	-	4,206	2,233
Local sales option tax	2,879	2,473	-	-	2,879	2,473
Payments in lieu of taxes	1,518	1,357	-	-	1,518	1,357
Franchise fees	2,076	2,076	-	-	2,076	2,076
Impact fees	14	122	-	-	14	122
Interest and penalties on delinquent taxes	497	611	-	-	497	611
Nonoperating grants	-	-	5,180	795	5,180	795
Investment income (loss)	(607)	391	(134)	119	(741)	510
Dividends from associated companies	-	-	4,336	4,327	4,336	4,327
Other revenues	632	1,337	492	384	1,124	1,721
Total revenues	99,499	79,878	134,226	116,903	233,725	196,781
Expenses:						
Governmental activities:						
General government	19,066	15,819	-	-	19,066	15,819
Public safety	30,401	34,672	-	-	30,401	34,672
Public works	16,545	16,422	-	-	16,545	16,422
Culture and recreation	14,226	12,626	-	-	14,226	12,626
Community development	6,791	6,052	-	-	6,791	6,052
Interest on long-term debt	3,060	3,369	-	-	3,060	3,369
Business-type activities:						
Electric	-	-	59,859	58,454	59,859	58,454
Airport	-	-	25,084	22,106	25,084	22,106
Wastewater	-	-	6,894	6,403	6,894	6,403
Water	-	-	7,262	6,507	7,262	6,507
Stormwater	-	-	1,293	1,180	1,293	1,180
Total expenses	90,089	88,960	100,392	94,650	190,481	183,610
Change in net position before transfers	9,410	(9,082)	33,834	22,253	43,244	13,171
Transfers in / (out)	3,770	4,500	(3,770)	(4,500)	-	-
Change in net position	13,180	(4,582)	30,064	17,753	43,244	13,171
Net position - beginning of year, as restated	88,311	92,893	280,801	263,048	369,112	355,941
Net position - end of year	$ 101,491	$ 88,311	$ 310,865	$ 280,801	$ 412,356	$ 369,112

Governmental activities. Governmental activities for the year resulted in an increase in net position of $13,179,623. This is primarily due to the increase in charges for services of 16% from the prior year as the economy improved, as well as an increase in operating grants and contributions, which is comprised of various grants. ARPA is offset by expenses, but the CARES grant of $5.2 million was recognized due to prior year loss of revenues.

Business-type activities. Business-type activities for the year resulted in an increase in net position of $30,063,699. 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 $8,637,873, while total fund balance was $22,127,642.

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:

City General Fund	6/30/22	6/30/21	Change	% of Total General Fund Expenditures
Unassigned fund balance	$ 8,637,873	$ 9,272,827	$ (634,954)	11.7%
Total fund balance	$ 22,127,642	$ 21,091,952	$ 1,035,690	30.0%

The total fund balance increased due to positive net budgetary results of $1 million. Increase to assigned fund balance of $1.6 million resulted in unassigned fund balance decrease of $635 thousand. New assignments included $750 thousand for dedicated rebuilding fund of the police department, $520 thousand for investment into parks, cemeteries and public buildings and various other assignments.

Capital Projects Fund

The Capital Projects Fund, a major fund, had a decrease in fund balance of $2,743,585 during the current fiscal year, which put the overall fund balance position in the amount of $8,605,367. The fund reports project deficits of $703,308 as unassigned fund balance. Restricted fund balance of $9,308,675 represents projects that began during the current fiscal year but have not been completed yet. The decrease in fund balance was caused mainly by the spending of resources obtained through the issuance of long-term debt in the prior period on capital acquisition and construction in the current period. That is, the fund balance that resulted from the previous long-term debt issuance was spent down during the current period as the related capital projects progressed.

Other Governmental Funds

The other governmental funds incurred an increase in fund balances of $1,014,169, which is primarily due to tax increment revenues exceeding debt service and related costs by $1,764,231 in the TIF downtown district.

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:

	Unrestricted Net Position		
	6/30/22	6/30/21	Change
Electric	$ 16,185,803	$ 15,734,140	$ 451,663
Airport	13,421,478	4,746,228	8,675,250
Wastewater	3,682,356	3,589,543	92,813
Nonmajor funds:			
Water	6,014,799	3,331,059	2,683,740
Stormwater	1,698,274	1,255,303	442,971
Total	$ 41,002,710	$ 28,656,273	$ 12,346,437

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

- The Burlington Electric Enterprise Fund unrestricted net position at June 30, 2022 increased from the previous year partly due to sales to ultimate customers, which reflected a 7.5% increase in rates effective August 1, 2021. For additional information, please refer to the separate financial statements issued for the Burlington Electric Enterprise Fund.
- The Burlington International Airport's unrestricted net position increased from the previous year primarily due to stimulus grants under the CARES, CRRSA and ARPA grants, some of which were used to offset operating expenses. For additional information, please refer to the separate financial statements issued for the Burlington International Airport.
- The net increase in the Wastewater, Water and Stormwater Funds (which are managed on a combined basis) is primarily the result of careful monitoring of those budgets and efforts to maintain costs, as well as a rate restructuring and the addition of a fixed meter fee component and a private fixed fee charge. 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 2022 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 2022 (after amendments) resulted in a budgeted surplus of $28,136. The actual performance resulted in revenues and other sources exceeding expenditures and other uses by $1,035,690. Revenues (not including other financing sources) exceeded budget by $309,685 while unspent expenditures were $4,393,308 (excluding other financing sources). The use of fund balance represents the use of restricted, committed, assigned and unassigned fund balance categories. Some of the use of fund balance remained unspent at June 30, 2022 primarily in the other uses or the transfers out category, which shows transfers less than budget primarily due to transfers out to the Capital Projects Fund not made yet from use of assigned fund balance. Police department's expenditures came in $1,204,373 less than anticipated due to open positions.

F. CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental activities at year-end amounted to $191,670,821 (net of accumulated depreciation), an increase of $9,623,869 from the prior year. Total investment in capital assets for business-type activities at year-end amounted to $356,191,594 (net of accumulated depreciation/amortization), an increase of $20,718,832 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 Moran Plant improvements of $2,069,684, Champlain Parkway improvements of $4,215,999 and Bike Path design, engineering and construction costs of $2,703,986.

The increase in business-type activities is primarily due to AIP projects at the Burlington International 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 81 to 82 of this report.

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

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

	Bonds Payable and State Revolving Loans 6/30/22	6/30/21	Change
Governmental Activities:			
City	$ 76,206,371	$ 80,000,354	$ (3,793,983)
Business-Type Activities:			
Electric	91,100,359	71,776,910	19,323,449
Airport	26,603,651	26,910,262	(306,611)
Wastewater	12,741,677	10,887,723	1,853,954
Water	7,251,198	7,564,934	(313,736)
Stormwater	275,857	298,167	(22,310)
Subtotal business-type	137,972,742	117,437,996	20,534,746
Component Unit:			
School District	43,034,535	42,729,808	304,727
Total	$ 257,213,648	$ 240,168,158	$ 17,045,490

Additional information on the City's long-term debt can be found in Note 15 on pages 84 to 91 of this report.

Net pension liability. The following is an analysis of the City's and our component unit's net pension liability at the end of the current and prior fiscal years. The majority of this increase will increase pension expense over the next four years, and therefore, reduce unrestricted net position.

	Net Pension Liability 6/30/22	6/30/21	Change
Governmental Activities:			
City	$ 41,261,286	$ 66,665,322	$ (25,404,036)
Business-Type Activities:			
Electric	11,606,188	17,414,582	(5,808,394)
Airport	1,482,310	2,363,918	(881,608)
Wastewater	622,663	961,786	(339,123)
Water	861,933	1,379,559	(517,626)
Subtotal business-type	14,573,094	22,119,845	(7,546,751)
Component Unit:			
School District	6,009,608	9,797,870	(3,788,262)
Total	$ 61,843,988	$ 98,583,037	$ (36,739,049)

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

Mayor's Overview

Management Discussion and FY 23 Budget Summary

Amidst challenging and uncertain economic times and fiscal constraints on the municipal budget, the proposed FY 23 budget prioritizes public safety by creating several new Burlington Police Department positions that will strengthen our ability to respond and rebuild the department. The proposed budget also makes major investments in important community priorities using one-time ARPA funds and Unassigned Fund Balance that now exceeds our targeted levels after a decade of disciplined focus on building our reserves. Further, as a result of state education tax changes, Burlington taxpayers will realize the investments in this budget while also experiencing an overall property tax reduction of 4%.

Several factors contributed to FY 23 being a challenging budget year. The United States is experiencing historic inflation that continues to rise, most recently reported as 8.6% by some measures. The City is continuing to see revenue shortfalls impacted by the pandemic, such as boat slip rental, parking fees, and donations. The FY 22 budget relied on $6.5 million of one-time money for general operating revenues, and we have targeted a smaller amount for FY 23. Further, contract negotiations with our four municipal unions were ongoing during the development of the budget, which has meant that finalizing personnel-related costs has been difficult. Finally, voters did not ultimately support the $0.04 municipal tax rate proposed on Town Meeting Day limiting the new property tax revenue available.

However, as a result of hard work by the City's department heads to manage their budget areas, and some revenue sources exceeding initial projections, we were able to fully close what had been projected to be a more than $2 million gap without service reductions.

FY 23 Budget Principles

The Administration began the FY 23 budget process by laying out the principles that would guide our work to develop the budget. Those principles were:

- Voters want a focused, disciplined budget that does not increase the property tax burden;
- Avoiding layoffs and furloughs of current City employees is a high priority;
- Cuts should be focused on non-personnel budget lines;
- We will use one-time monies, like ARPA and Unassigned Fund Balance monies to respond to new and recovery-related emergent community concerns;
- We will continue to invest heavily in addressing the climate emergency, in significant part through expanded efforts in the Burlington Electric Department;
- Additional new federal opportunities will be available beyond the City's ARPA allocation and recent earmarks, but they will take time to be fully realized and may result in mid-year budget adjustments; and Negotiations with the City's four unions are in progress, so the budget is more uncertain throughout the point in the process, compared to other years.

Investments Using One-Time Sources
Through a decade of careful and diligent stewardship of the City resources, the Administration has built up a strong Unassigned Fund Balance, which is sometimes referred to as a "Rainy Day Fund." Consistent with the City's Unassigned Fund Balance Policy to maintain a 10% target balance, we are able to make $2.445 million of one-time investments in City priorities. In the FY 23 budget, the Administration has proposed using our Unassigned Fund Balance surplus toward community initiatives.

In 2021, Burlington was awarded $27 million of ARPA funding from the Federal government. In FY 22, $14.8 million of those funds were used for revenue replacement, housing and homelessness initiatives, public health, property tax relief, economic recovery services, and police officer retention bonuses. An amount of $12.2 million of ARPA is left to obligate.

Police Department Rebuilding Plan
Investment in our public safety resources is a top priority in the coming year with major new investments for both rebuilding the police department and continuing our longstanding public safety transformation efforts. The FY 23 budget fully funds a robust rebuilding plan to hire officers back to the 87-officer authorized cap.

The proposed three-year rebuilding plan invests $1.2 million to keep current officers in the Police Department and attract new officers to Burlington.

The $1.2 million recruitment and retention plan allocates funding toward:

- $500,000 toward a competitive contract with the Burlington Police Officers Association;
- $270,000 for signing bonuses to pay 18 new officers $15,000 to join the Burlington Police Department;
- $200,000 for a recruitment firm and for marketing efforts to advertise that the Burlington Police Department is hiring; and
- $150,000 for additional incentives for officers, such as housing stipends for officers to live in Burlington, education, and childcare.

Racial Equity Inclusion and Belonging
Since creating the Racial Equity Inclusion and Belonging Department in the FY 20 budget, the City has dramatically increased its investment in the department from approximately $100,000 annually to over $1.7 million, making Burlington's department the most substantial in Vermont, and larger even than the State government's office. In FY 23, we will continue this investment with a $1.8 million budget.

Funding at this level will allow the City to continue its anti-racism training for all employees, continue the tradition of hosting a major Juneteenth celebration, and to continue numerous policy initiatives.

Net Zero Energy City and Climate Emergency Initiatives
The FY 23 budget continues the Administration's priority to invest toward our Net Zero Energy City goals and to fight the climate emergency. These initiatives are largely funded through Burlington Electric Department revenues, federal grants, and the Net Zero Energy Revenue Bond, overwhelmingly supported by more than 70% of voters in December 2021. These investments include:

- Over $2 million of funds budgeted in the Burlington Electric Department for customer strategic electrification incentives and programs, such as rebates for heat pumps, e-bike, e-mowers, and home charging stations;
- $1.5 million budgeted in BED for energy efficiency incentives and programs;
- Continuing to replace our City fleet with electric vehicles and hybrid vehicles, with at least seven vehicles planned for FY 23.

Streets, Sidewalks, and Transportation
With voters' support of the Capital Infrastructure Bond on Town Meeting Day 2022, the City will continue addressing the backlog of investments in our streets and sidewalks. The FY 23 budget allows for the City to make historic reinvestments in transportation and transportation infrastructure including:

- $1.5 million of bike and pedestrian improvements, including protected bike lanes on North Champlain Street; bike and pedestrian improvements on Manhattan Drive; constructing the modern, one-lane Shelburne Street roundabout; upgrading University Place to add bike lanes and improved crosswalks; and constructing a shared-use path on Mansfield Avenue;
- $1.6 million to rebuild three miles of sidewalks and resources to complete a new citywide sidewalk condition assessment so that the Department of Public Works can update its target for work moving forward;
- $450,000 for traffic calming projects that also improve active transportation safety in the Birchcliff, East Avenue, and Mansfield Avenue neighborhoods and $300,000 to expand traffic calming in other parts of the City;
- $1.1 million to develop a shared use path on Intervale Road that will improve overall safety and accommodation for pedestrians and cyclists visiting the Intervale Center and the Wildways trail network;
- $40 million for the Champlain Parkway that will add 1.5 miles of shared use path, new crosswalks, raised intersections, transit prioritization at signalized intersections, pedestrian signals, transit shelters, and other multi-modal accommodations in the South End.

Property Tax Rates
In recognition of the challenging financial times many Burlington residents continue to face, this budget maintains the General City tax rate at the same level as last year. Due to a bill recently passed by the Legislature and signed into law by the Governor, the education tax rate will decrease this year due to a $90 million surplus in the state's education fund.

This allows the budget to restore several discretionary tax rates that were held below the voter-authorized maximum rate levels last year, fully funding the Conservation Legacy Fund, the Library Tax, Penny for Parks, and the Housing Trust Fund.

The total proposed FY 23 Property Tax Rate (proposed Municipal Tax Rate plus estimated Education Rate) provides for a reduction in taxes from FY22. The FY 23 tax rates are set per the table below and these would result in an overall decrease in tax rates of 4% for both homestead and non-homestead taxpayers.

FY 23 Tax Rates as compared to
FY 22 Tax Rates

Rate	FY 22	FY 23
Municipal	$0.67	$0.71
Local Agreement	$0.00	$0.00
Education Homestead declaration – estimated	$1.46	$1.39
Education Non-homestead (commercial) - estimated	$1.53	$1.47

Thanks to the City team who made an extraordinary effort to create a Fiscal Year 2023 Budget, while also delivering a great deal to advance Burlington values in the year ahead.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Burlington's finances for all those with an interest in the 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, 2022

	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	$ 35,365,443	$ 31,766,387	$ 67,131,830	$ 23,254,078
Investments	11,024,540	376,569	11,401,109	25,346
Escrows	2,223,000	258,889	2,481,889	-
Receivables, net of allowance for uncollectibles:				
Property and other taxes	1,787,222	-	1,787,222	-
User fees	-	12,149,714	12,149,714	-
Departmental and other	3,451,185	-	3,451,185	295,640
Intergovernmental	5,803,636	13,449,830	19,253,466	7,076,738
Passenger facility charges	-	248,386	248,386	-
Loans	76,647	83,795	160,442	-
Leases	-	3,082,279	3,082,279	-
Due from fiduciary fund	6,140,000	-	6,140,000	-
Inventory	546,218	6,875,735	7,421,953	127,217
Prepaid expenses	473,207	180,103	653,310	258,648
Other assets	176,096	1,564,025	1,740,121	-
Total current assets	67,067,194	70,035,712	137,102,906	31,037,667
Noncurrent:				
Restricted cash and short-term investments	-	17,501,816	17,501,816	9,941,514
Restricted investments	-	25,504,651	25,504,651	-
Receivables, net of current portion:				
Loans	4,734,723	266,989	5,001,712	-
Leases	-	16,598,189	16,598,189	-
Accrued interest	1,288,636	-	1,288,636	-
Equity interests in associated companies	-	34,666,846	34,666,846	-
Regulatory assets and other assets	-	4,609,941	4,609,941	-
Capital assets:				
Land and construction in progress	72,404,597	135,381,419	207,786,016	4,353,144
Other capital assets, net of accumulated depreciation	119,266,224	220,810,175	340,076,399	52,167,246
Total noncurrent assets	197,694,180	455,340,026	653,034,206	66,461,904
TOTAL ASSETS	264,761,374	525,375,738	790,137,112	97,499,571
DEFERRED OUTFLOWS OF RESOURCES:				
Related to pension	12,056,010	4,128,367	16,184,377	644,824
Related to OPEB	903,985	458,923	1,362,908	352,419
Deferred amount on refunding	-	871,470	871,470	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	12,959,995	5,458,760	18,418,755	997,243
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 277,721,369	$ 530,834,498	$ 808,555,867	$ 98,496,814

(continued)

CITY OF BURLINGTON, VERMONT

STATEMENT OF NET POSITION

JUNE 30, 2022

(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	$ 5,892,911	$ 11,742,690	$ 17,635,601	$ 4,329,656
Accrued liabilities	1,497,030	82,683	1,579,713	1,541,715
Accrued interest	481,839	607,046	1,088,885	-
Due to other governments	-	-	-	96,628
Unearned revenue	12,287,965	1,045,417	13,333,382	20,296
Note payable	2,000,000	7,974,612	9,974,612	-
Other liabilities	445,331	1,891,280	2,336,611	-
Payable from restricted assets	-	376,569	376,569	-
Current portion of long-term liabilities:				
Bonds and loans payable	6,030,035	7,140,820	13,170,855	1,825,000
Notes payable	1,501,279	1,099,577	2,600,856	-
Lease payable	-	191,472	191,472	2,092,188
Compensated absences liability	260,579	709,117	969,696	387,362
Insurance reserves	891,194	-	891,194	-
Total current liabilities	31,288,163	32,861,283	64,149,446	10,292,845
Noncurrent, net of current portion:				
Bonds and loans payable	70,176,336	130,831,922	201,008,258	41,209,535
Net pension liability	41,261,286	14,573,094	55,834,380	6,009,608
Total OPEB liability	4,089,665	1,350,311	5,439,976	6,394,701
Notes payable	4,462,560	4,011,621	8,474,181	-
Lease payable	-	1,504,836	1,504,836	2,295,428
Compensated absences liability	2,345,210	1,143,326	3,488,536	2,195,049
Insurance reserves	298,632	-	298,632	-
Total noncurrent liabilities	122,633,689	153,415,110	276,048,799	58,104,321
TOTAL LIABILITIES	153,921,852	186,276,393	340,198,245	68,397,166
DEFERRED INFLOWS OF RESOURCES:				
Regulatory deferral	-	5,660,315	5,660,315	-
Related to pensions	20,367,983	7,816,482	28,184,465	3,021,975
Related to OPEB	1,940,756	848,615	2,789,371	1,117,448
Related to leases	-	19,367,708	19,367,708	
TOTAL DEFERRED INFLOWS OF RESOURCES	22,308,739	33,693,120	56,001,859	4,139,423
NET POSITION:				
Net investment in capital assets	115,249,799	246,059,659	361,309,458	9,098,239
Restricted externally or constitutionally for:				
Community development	7,324,272	-	7,324,272	-
Debt service/renewal and replacements/capital projects	7,812,602	16,068,451	23,881,053	17,179,732
Contingency reserve	-	1,433,365	1,433,365	-
Deposits with bond trustees	-	6,300,800	6,300,800	-
Special revenue funds	-	-	-	2,226,605
Permanent funds:				25,821
Nonexpendable	1,203,486	-	1,203,486	
Expendable	73,931	-	73,931	25,821
Unrestricted	(30,173,312)	41,002,710	10,829,398	(2,595,993)
TOTAL NET POSITION	101,490,778	310,864,985	412,355,763	25,960,225
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 277,721,369	$ 530,834,498	$ 808,555,867	$ 98,496,814

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

CITY OF BURLINGTON, VERMONT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues
Primary Government:					
Governmental Activities:					
General government	$ 19,066,613	$ 5,248,259	$ 10,381,390	$ -	$ (3,436,964)
Public safety	30,400,813	6,495,660	560,102	-	(23,345,051)
Public works	16,544,970	6,037,290	1,532,775	4,485,286	(4,489,619)
Culture and recreation	14,225,917	4,309,440	1,100,342	-	(8,816,135)
Community development	6,791,401	1,250,517	4,163,967	-	(1,376,917)
Interest and related costs	3,060,076	-	-	-	(3,060,076)
Total Governmental Activities	90,089,790	23,341,166	17,738,576	4,485,286	(44,524,762)
Business-Type Activities:					
Electric	59,858,694	59,470,618	-	439,770	51,694
Airport	25,084,353	21,202,306	160,600	24,959,650	21,238,203
Wastewater	6,893,650	8,458,113	-	106,546	1,671,009
Water	7,261,932	7,817,029	-	-	555,097
Stormwater	1,292,727	1,736,917	-	-	444,190
Total Business-Type Activities	100,391,356	98,684,983	160,600	25,505,966	23,960,193
Total Primary Government	$ 190,481,146	$ 122,026,149	$ 17,899,176	$ 29,991,252	$ (20,564,569)
Discretely Presented Component Unit:					
Burlington School District	$ 118,194,509	$ 4,220,985	$ 46,294,791	$ -	$ (67,678,733)

(continued)

CITY OF BURLINGTON, VERMONT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

(continued)

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	
Change in Net Position				
Net (expenses) revenues from previous page	$ (44,524,762)	$ 23,960,193	$ (20,564,569)	$ (67,678,733)
General Revenues:				
Property taxes	42,719,251	-	42,719,251	-
Gross receipts taxes	4,205,988	-	4,205,988	-
Local option sales tax	2,878,650	-	2,878,650	-
Payments in lieu of taxes	1,517,590	-	1,517,590	-
Franchise fees	2,076,281	-	2,076,281	-
Impact fees	13,993	-	13,993	-
Interest and penalties on delinquent taxes	497,304	-	497,304	-
Non-operating grants	-	5,179,514	5,179,514	-
General state support	-	-	-	68,073,013
Unrestricted investment earnings (loss)	(607,119)	(133,927)	(741,046)	641,440
Dividends from associated companies	-	4,335,722	4,335,722	-
Other revenues	631,995	492,649	1,124,644	1,511,632
Transfers in/(out)	3,770,452	(3,770,452)	-	-
Total general revenues and transfers	57,704,385	6,103,506	63,807,891	70,226,085
Change in Net Position	13,179,623	30,063,699	43,243,322	2,547,352
Net Position:				
Beginning of year, as restated	88,311,155	280,801,286	369,112,441	23,412,873
End of year	$ 101,490,778	$ 310,864,985	$ 412,355,763	$ 25,960,225

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

CITY OF BURLINGTON, VERMONT

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2022

	General	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and short term investments	$ 848,358	$ 11,884,001	$ 22,633,085	$ 35,365,444
Investments	10,072,953	-	951,588	11,024,541
Escrows	2,223,000	-	-	2,223,000
Receivables, net of allowance for uncollectibles:				
Property and other taxes	1,787,222	-	-	1,787,222
Departmental and other	3,374,880	-	76,305	3,451,185
Intergovernmental	-	5,338,046	465,590	5,803,636
Loans	-	-	4,811,370	4,811,370
Accrued interest	-	-	1,288,636	1,288,636
Due from fiduciary fund	6,140,000	-	-	6,140,000
Due from other funds	3,823,883	-	-	3,823,883
Advances to other funds	703,308	-	-	703,308
Inventory	194,823	-	351,395	546,218
Prepaid expenditures	472,662	-	545	473,207
Other assets	176,096	-	-	176,096
TOTAL ASSETS	$ 29,817,185	$ 17,222,047	$ 30,578,514	$ 77,617,746
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 1,279,650	$ 4,134,812	$ 478,449	$ 5,892,911
Accrued liabilities	1,395,972	41,502	59,555	1,497,029
Unearned revenue	735,365	-	11,552,600	12,287,965
Notes payable	-	2,000,000	-	2,000,000
Due to other funds	-	-	3,823,883	3,823,883
Advances from other funds	-	703,308	-	703,308
Insurance reserve	891,194	-	-	891,194
Other liabilities	307,319	133,934	4,077	445,330
TOTAL LIABILITIES	4,609,500	7,013,556	15,918,564	27,541,620
Deferred Inflows of Resources:				
Unavailable revenues	3,080,043	1,603,124	6,319,073	11,002,240
Fund Balances:				
Nonspendable	1,370,793	-	1,555,426	2,926,219
Restricted	2,342,852	9,308,675	9,619,648	21,271,175
Committed	861,380	-	1,164,738	2,026,118
Assigned	8,914,744	-	-	8,914,744
Unassigned	8,637,873	(703,308)	(3,998,935)	3,935,630
TOTAL FUND BALANCES	22,127,642	8,605,367	8,340,877	39,073,886
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 29,817,185	$ 17,222,047	$ 30,578,514	$ 77,617,746

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, 2022

Total governmental fund balances	$ 39,073,886
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	191,670,821
• Revenues are reported on the accrual basis of accounting and are not deferred until collection.	11,002,236
• 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	12,056,010
Deferred inflows of resources related to pension	(20,367,983)
Deferred outflows of resources related to OPEB	903,985
Deferred inflows of resources related to OPEB	(1,940,756)
• 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	(76,206,371)
Equipment notes payable	(5,963,839)
Compensated absences liability	(2,605,789)
Insurance reserves, long-term	(298,632)
Total other post-employment benefits payable	(4,089,665)
Net pension liability	(41,261,286)
Accrued interest on long-term obligations	(481,839)
Net position of governmental activities	$ 101,490,778

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, 2022

	General	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	$ 42,865,821	$ 3,173,277	$ 4,639,168	$ 50,678,266
Payments in lieu of taxes	1,517,590	-	-	1,517,590
Licenses and permits	3,561,535	158,719	123,775	3,844,029
Intergovernmental	8,269,924	4,485,286	7,932,410	20,687,620
Charges for services	16,688,789	-	4,898,623	21,587,412
Contributions	851,455	208,500	304,435	1,364,390
Investment income (loss)	(554,714)	358	(52,763)	(607,119)
Loan repayments	-	-	171,851	171,851
Other	385,657	88,643	157,692	631,992
Total Revenues	73,586,057	8,114,783	18,175,191	99,876,031
Expenditures:				
Current:				
General government	15,991,250	-	2,969,902	18,961,152
Public safety	31,253,528	-	-	31,253,528
Public works	5,075,203	-	3,830,017	8,905,220
Culture and recreation	12,836,743	-	-	12,836,743
Community development	1,352,586	-	5,256,070	6,608,656
Capital outlay	-	20,113,950	327,779	20,441,729
Debt service:				
Principal	4,606,920	-	2,254,150	6,861,070
Interest and bond issue costs	2,725,959	16,265	600,379	3,342,603
Total Expenditures	73,842,189	20,130,215	15,238,297	109,210,701
Excess (deficiency) of revenues over (under) expenditures	(256,132)	(12,015,432)	2,936,894	(9,334,670)
Other Financing Sources (Uses):				
Issuance of equipment notes	-	2,830,700	-	2,830,700
Issuance of bonds	-	1,750,000	-	1,750,000
Bond premium	289,792	-	-	289,792
Transfers in	5,436,615	4,691,147	775,709	10,903,471
Transfers out	(4,434,585)	-	(2,698,434)	(7,133,019)
Total Other Financing Sources (Uses)	1,291,822	9,271,847	(1,922,725)	8,640,944
Net change in fund balances	1,035,690	(2,743,585)	1,014,169	(693,726)
Fund Balances, at Beginning of Year	21,091,952	11,348,952	7,326,708	39,767,612
Fund Balances, at End of Year	$ 22,127,642	$ 8,605,367	$ 8,340,877	$ 39,073,886

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, 2022

Net Changes in Fund Balances - Total Governmental Funds	$ (693,726)
• 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:	
Capital outlay purchases	17,146,731
Depreciation	(7,493,350)
Effect from disposal of capital assets	(29,512)
• 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.	(377,075)
• 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:	
Issuance of bonds	(1,750,000)
Issuance of equipment notes	(2,830,700)
Repayments of debt	6,861,070
Final amortization of deferred amount on refunding	(157,117)
Bond premium activity, net of amortization	130,042
• In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	19,813
• 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.	
Increase in pension expense from GASB 68	2,086,322
Increase in OPEB expense from GASB 75	(330,046)
Change in compensated absences liability	490,354
Change in insurance reserves	106,817
Change in Net Position OF Governmental Activities	$ 13,179,623

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

CITY OF BURLINGTON, VERMONT

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2022

	Business-Type Activities Enterprise Funds				
	Electric	Airport	Wastewater	Nonmajor Enterprise Funds	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
ASSETS:					
Current:					
Cash and cash equivalents	$ 12,257,496	$ 8,230,172	$ 2,886,679	$ 8,392,040	$ 31,766,387
Restricted investments	376,569	-	-	-	376,569
Escrows	-	-	194,167	64,722	258,889
Receivables, net of allowance for uncollectibles:					
User fees	6,909,936	1,644,990	1,704,228	1,890,560	12,149,714
Intergovernmental	-	11,293,705	1,831,280	324,845	13,449,830
Passenger facility charges	-	248,386	-	-	248,386
Loans	-	83,795	-	-	83,795
Leases	-	3,082,279	-	-	3,082,279
Inventory	6,000,306	342,047	155,398	377,984	6,875,735
Prepaid expenses	-	175,967	122	4,014	180,103
Other current assets	1,563,825	200	-	-	1,564,025
Total current assets	27,108,132	25,101,541	6,771,874	11,054,165	70,035,712
Noncurrent:					
Restricted cash and short-term investments	-	15,161,978	1,433,365	906,473	17,501,816
Restricted investments	25,504,651	-	-	-	25,504,651
Loans receivable, net of current portion	-	266,989	-	-	266,989
Leases receivable, net of current portion	-	16,598,189	-	-	16,598,189
Equity interests in associated companies	34,666,846	-	-	-	34,666,846
Regulatory assets	1,833,710	-	-	-	1,833,710
RES inventory	1,944,355	-	-	-	1,944,355
Other noncurrent assets	831,876	-	-	-	831,876
Capital assets:			-		
Land and construction in progress	5,542,601	120,415,557	6,992,411	2,430,850	135,381,419
Capital assets, net of accumulated depreciation	88,358,311	95,918,412	18,374,092	18,159,360	220,810,175
Total noncurrent assets	158,682,350	248,361,125	26,799,868	21,496,683	455,340,026
TOTAL ASSETS	185,790,482	273,462,666	33,571,742	32,550,848	525,375,738
DEFERRED OUTFLOWS OF RESOURCES					
Related to pension	3,151,949	467,390	178,721	330,307	4,128,367
Related to OPEB	248,169	94,814	33,885	82,055	458,923
Deferred amount on refunding	338,070	533,400	-	-	871,470
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,738,188	1,095,604	212,606	412,362	5,458,760
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 189,528,670	$ 274,558,270	$ 33,784,348	$ 32,963,210	$ 530,834,498

(continued)

CITY OF BURLINGTON, VERMONT

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2022

(continued)

	Business-Type Activities Enterprise Funds				
	Electric	Airport	Wastewater	Nonmajor Enterprise Funds	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION					
LIABILITIES:					
Current:					
Accounts payable	$ 4,864,424	$ 5,382,906	$ 659,077	$ 836,283	$ 11,742,690
Accrued liabilities	-	33,630	15,320	33,733	82,683
Accrued interest	-	607,046	-	-	607,046
Unearned revenue	-	1,045,417		-	1,045,417
Notes payable	-	2,541,057	3,919,049	1,514,506	7,974,612
Other current liabilities	1,848,964	2,597	-	39,719	1,891,280
Payable from restricted assets:					
Deposits with bond trustees	376,569	-	-	-	376,569
Current portion of long-term liabilities:					
Bonds and loans payable	5,425,000	314,728	1,054,457	346,635	7,140,820
Equipment notes payable	315,301	618,132	47,141	119,003	1,099,577
Lease payable	-	191,472	-	-	191,472
Compensated absences liability	-	331,279	143,654	234,184	709,117
Total current liabilities	12,830,258	11,068,264	5,838,698	3,124,063	32,861,283
Noncurrent, net of current portion:					
Bonds and loans payable	85,675,359	26,288,923	11,687,220	7,180,420	130,831,922
Equipment notes payable	1,539,915	1,937,445	174,734	359,527	4,011,621
Lease payable	-	1,504,836	-	-	1,504,836
Net pension liability	11,606,188	1,482,310	622,663	861,933	14,573,094
Total OPEB liability	909,836	213,927	94,264	132,284	1,350,311
Compensated absences liability	1,143,326	-	-	-	1,143,326
Total noncurrent liabilities	100,874,624	31,427,441	12,578,881	8,534,164	153,415,110
TOTAL LIABILITIES	113,704,882	42,495,705	18,417,579	11,658,227	186,276,393
DEFERRED INFLOWS OF RESOURCES					
Regulatory deferral	5,660,315	-	-	-	5,660,315
Related to pension	6,337,356	712,713	341,692	424,721	7,816,482
Related to OPEB	653,384	94,819	41,780	58,632	848,615
Related to leases	-	19,367,708	-	-	19,367,708
TOTAL DEFERRED INFLOWS OF RESOURCES	12,651,055	20,175,240	383,472	483,353	33,693,120
NET POSITION:					
Net investment in capital assets	40,686,130	183,303,869	9,867,576	12,202,084	246,059,659
Restricted:					
For debt service/renewal and replacements/capital projects	-	15,161,978	-	906,473	16,068,451
For contingency reserve	-	-	1,433,365	-	1,433,365
Deposits with bond trustees	6,300,800	-	-	-	6,300,800
Unrestricted	16,185,803	13,421,478	3,682,356	7,713,073	41,002,710
TOTAL NET POSITION	63,172,733	211,887,325	14,983,297	20,821,630	310,864,985
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 189,528,670	$ 274,558,270	$ 33,784,348	$ 32,963,210	$ 530,834,498

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, 2022

	Business-Type Activities Enterprise Funds				
	Electric	Airport	Wastewater	Nonmajor Enterprise Funds	Total
Operating Revenues:					
Charges for services	$ 59,470,618	$ 18,918,987	$ 8,458,113	$ 8,597,287	$ 95,445,005
Intergovernmental	-	160,600	-	-	160,600
Miscellaneous	-	-	-	956,659	956,659
Total Operating Revenues	59,470,618	19,079,587	8,458,113	9,553,946	96,562,264
Operating Expenses:					
Personnel	-	4,482,622	1,619,228	3,573,334	9,675,184
Nonpersonnel	-	12,179,973	3,610,658	3,652,263	19,442,894
Purchased power and other costs	51,504,250	-	-	-	51,504,250
Depreciation and amortization	6,048,674	6,848,831	1,208,164	988,356	15,094,025
Total Operating Expenses	57,552,924	23,511,426	6,438,050	8,213,953	95,716,353
Operating Income (Loss)	1,917,694	(4,431,839)	2,020,063	1,339,993	845,911
Nonoperating Revenues (Expenses):					
Dividends from associated companies	4,335,722	-	-	-	4,335,722
Passenger facility charges	-	2,283,319	-	-	2,283,319
Intergovernmental revenue	139,892	3,685,399	15,060	1,339,163	5,179,514
Investment income (loss)	(98,687)	(28,088)	1,433	(8,585)	(133,927)
Other income	40,320	621,022	40,082	48,069	749,493
Interest expense	(2,305,770)	(1,572,927)	(455,600)	(340,706)	(4,675,003)
Loss on disposal of capital assets	(256,663)	-	-	(181)	(256,844)
Total Nonoperating Revenues (Expenses), net	1,854,814	4,988,725	(399,025)	1,037,760	7,482,274
Income Before Contributions and Other Items	3,772,508	556,886	1,621,038	2,377,753	8,328,185
Capital contributions	439,770	24,959,650	106,546	-	25,505,966
Transfers in	-	-	-	50,702	50,702
Transfers out	(2,274,239)	-	(1,163,570)	(383,345)	(3,821,154)
Change in Net Position	1,938,039	25,516,536	564,014	2,045,110	30,063,699
Net Position, at Beginning of Year, as restated	61,234,694	186,370,789	14,419,283	18,776,520	280,801,286
Net Position, at End of Year	$ 63,172,733	$ 211,887,325	$ 14,983,297	$ 20,821,630	$ 310,864,985

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, 2022

	Electric	Airport	Wastewater	Nonmajor Enterprise Funds	Total
Cash Flows From Operating Activities:					
Receipts from customers and users	$ 59,693,499	$ 18,018,050	$ 8,371,729	$ 9,469,825	$ 95,553,103
Receipts of operating grants	-	160,600	-	-	160,600
Payments for power and other costs	(51,077,285)	-	-	-	(51,077,285)
Payments to suppliers	-	(11,818,943)	(3,804,280)	(3,396,058)	(19,019,281)
Payments for wages and benefits	-	(4,422,175)	(1,591,892)	(3,513,817)	(9,527,884)
Other receipts	40,320	489,515	40,083	1,731	571,649
Net Cash Provided by Operating Activities	8,656,534	2,427,047	3,015,640	2,561,681	16,660,902
Cash Flows From Noncapital Financing Activities:					
Payment in lieu of taxes	(2,274,239)	-	(1,201,208)	(506,520)	(3,981,967)
Energy efficiency utility	139,892	-	-	-	139,892
Intergovernmental revenues	-	1,627,514	15,060	-	1,642,574
Loan payments from BCDC	-	81,321	-	-	81,321
Transfers in	-	-	37,638	173,877	211,515
Net Cash Provided by (Used for) Noncapital Financing Activities	(2,134,347)	1,708,835	(1,148,510)	(332,643)	(1,906,665)
Cash Flows From Capital and Related Financing Activities:					
Acquisition and construction of capital assets	(5,554,606)	(24,549,688)	(2,141,737)	(1,944,560)	(34,190,591)
Proceeds from bonds and loans	21,045,000	-	-	-	21,045,000
Proceeds from bond premium	3,640,554	-	-	-	3,640,554
Capital grants/contributions	439,770	21,064,484	-	-	21,504,254
Passenger facility charges	-	2,385,138	-	-	2,385,138
COVID grants	-	-	-	1,339,163	1,339,163
Drawdowns on notes and loans	-	3,829,737	1,843,530	82,698	5,755,965
Repayment of notes and loans	-	(1,288,680)	-	(41,845)	(1,330,525)
Debt service reserve fund release	-	2,505,664	-	-	2,505,664
Principal paid on:					
Bonds and loans	(5,230,000)	-	(1,052,029)	(289,973)	(6,572,002)
Notes	-	(616,585)	(46,659)	(116,979)	(780,223)
Leases	-	(191,109)	-	-	(191,109)
Interest paid on outstanding debt, including issue costs	(2,568,742)	(1,604,240)	(455,600)	(340,704)	(4,969,286)
Net Cash Provided by (Used for) Capital and Related Financing Activities	11,771,976	1,534,721	(1,852,495)	(1,312,200)	10,142,002
Cash Flows From Investing Activities:					
Purchase of investments	(23,238,034)	(1,657,923)	-	-	(24,895,957)
Sale of investments	2,855,002	-	-	-	2,855,002
Receipt of interest and dividends	4,486,377	-	1,433	(8,603)	4,479,207
Net Cash Provided by (Used for) Investing Activities	(15,896,655)	(1,657,923)	1,433	(8,603)	(17,561,748)
Net Increase in Cash and Short Term Investments	2,397,508	4,012,680	16,068	908,235	7,334,491
Cash and short term investments at beginning of year	9,859,988	19,379,470	4,303,976	8,390,278	41,933,712
Cash and short term investments at end of year	$ 12,257,496	$ 23,392,150	$ 4,320,044	$ 9,298,513	$ 49,268,203

(continued)

CITY OF BURLINGTON, VERMONT

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

(continued)

	Electric	Airport	Wastewater	Nonmajor Enterprise Funds	Total
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:					
Operating income/(loss)	$ 1,917,694	$ (4,431,839)	$ 2,020,063	$ 1,339,993	$ 845,911
Depreciation and amortization*	5,792,213	6,848,831	1,208,164	988,356	14,837,564
Other receipts	40,320	489,515	40,083	1,731	571,649
Changes in assets, liabilities, and deferred outflows/inflows:					
(Increase)/decrease in receivables	113,094	2,566,396	(86,383)	(93,442)	2,499,665
(Increase)/decrease in inventory	(1,603,595)	(39,923)	(31,081)	(72,142)	(1,746,741)
(Increase)/decrease in prepaids	-	34,278	228	(2,874)	31,632
(Increase)/decrease in deferred outflows	285,933	377,543	148,193	229,762	1,041,431
Increase/(decrease) in accounts payable	1,941,893	366,675	(162,770)	331,222	2,477,020
Increase/(decrease) in accrued liabilities	-	(58,801)	(22,725)	(52,366)	(133,892)
Increase/(decrease) in net pension liability	(5,808,394)	(881,608)	(339,123)	(517,626)	(7,546,751)
Increase/(decrease) in total OPEB liability	(144,487)	(57,088)	(23,396)	(3,386)	(228,357)
Increase/(decrease) in compensated absences	72,318	36,550	20,125	27,239	156,232
Increase/(decrease) in unearned revenue liability	-	(171,802)	-	-	(171,802)
Increase/(decrease) in other operating assets/liabilities	755,875	-	-	9,461	765,336
Increase/(decrease) in deferred inflows	5,293,670	(2,651,680)	244,262	375,753	3,262,005
Net Cash Provided by Operating Activities	$ 8,656,534	$ 2,427,047	$ 3,015,640	$ 2,561,681	$ 16,660,902

* 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, 2022

	Pension Trust Fund	Private Purpose Trust Fund	Custodial Fund
ASSETS			
Current:			
Cash and short term investments	$ 3,098,860	$ 38,389	$ 3,706,742
Investments:			
Mutual funds	197,281,568	-	-
Limited partnerships	13,987,828	-	-
Accounts receivable	-	-	296,862
Contributions receivable	1,119,077	-	-
Prepaid expenses	20,097	-	-
Noncurrent:			
Capital assets, net of accumulated depreciation	280,322	-	-
Total Assets	$ 215,787,752	$ 38,389	$ 4,003,604
LIABILITIES AND NET POSITION			
LIABILITIES			
Current:			
Accounts payable	$ 75,951	$ -	$ 311,443
Gross revenue taxes payable	-	-	5,830
Fuel taxes payable	-	-	897
Accrued liabilities	2,277	-	-
Due to primary government	6,140,000	-	-
Current portion of long-term liabilities:			
Note payable	74,490	-	-
Total current liabilities	6,292,718	-	318,170
Noncurrent, net of current portion:			
Note payable	70,231	-	-
Total Liabilities	6,362,949	-	318,170
NET POSITION			
Restricted for pension	209,424,803	-	-
Restricted for individuals and organizations	-	38,389	-
Restricted for energy efficiency utility programs	-	-	3,685,434
Total Net Position	209,424,803	38,389	3,685,434
TOTAL LIABILITIES AND NET POSITION	$ 215,787,752	$ 38,389	$ 4,003,604

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, 2022

	Pension Trust Fund	Private Purpose Trust Fund	Custodial Fund
Additions:			
Contributions:			
Employer - pension	$ 10,821,716	$ -	$ -
Plan members	3,931,883	-	-
Total Contributions	14,753,599	-	-
Investment earnings:			
Investment income	19,633,869	87	-
Net decrease in the fair value of investments	(51,981,987)	-	-
Total Investment Earnings (Loss)	(32,348,118)	87	-
Less: Investment Expenses	(308,224)	-	-
Net Investment Earnings (Loss)	(32,656,342)	87	-
EEC collections from customers	-	-	2,536,076
Forward Capacity Market	-	-	411,587
Regional Greenhouse Gas Initiative	-	-	340,999
Total Additions	(17,902,743)	87	3,288,662
Deductions:			
Benefits - pension	20,619,873	-	-
Administrative expenses	937,403	-	-
Depreciation	50,100	-	-
Payments for programs	-	-	2,537,487
Payments for administration	-	-	334,660
EEC uncollectible return	-	-	16,141
Gross revenue taxes	-	-	13,323
Fuel taxes	-	-	12,680
Total Deductions	21,607,376	-	2,914,291
Change in net position	(39,510,119)	87	374,371
Net position restricted for pension and other purposes:			
Beginning of year, as restated	248,934,922	38,302	3,311,063
End of year	$ 209,424,803	$ 38,389	$ 3,685,434

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

E. *Cash and 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 Burlington 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, 2022, the Department purchased 47,273 Class A Units and 60,165 Class B Units in Transco for a cost of $1,074,380.

Schedule of ownership in associated companies at June 30, 2022:

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	14,613,571
VT Transco, LLC, B Units	18,599,079
	$ 34,666,846

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:

	Capitalization Threshold	Estimated Service Life
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:

	Estimated Service Life
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:

	Capitalization Threshold	Estimated Service Life
Buildings	$ 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 Burlington International Airport (and leases space on the parking garage roof under a long-term agreement between the Department and the Burlington International Airport). Following that, in October 2018, the Department commissioned a 107 KW AC solar array at the Electric Department's offices at 585 Pine Street. The Department owns 100% of these resources. Additionally, 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, 2022, REC revenue for McNeil, wind resources, the Winooski One hydro facility, and the solar arrays were $6,599,441, $2,341,500, $670,140, and $178,252, 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, 2022.

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 l, 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 REIB and fire departments overspent their budget by $51,386 and $441,855, 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, 2022. 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, 2022.

B. *Investment Summary*

The following is a summary of the City's investments as of June 30, 2022:

Investment Type		Amount
Municipal bonds	$	1,805,386
Federal agencies		6,676,870
Market-linked certificates of deposits		2,542,284
Total investments	$	11,024,540

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, 2022. Market-linked certificates of deposits were unrated at June 30, 2022.

D. *Concentration of Credit Risk*

The City places no limit on the amount the City may invest in any one issuer. At June 30, 2022, the City's investment in Connecticut State General Obligation BDS Teachers Retirement Fund A of $1,037,150 represented 9% of City's investments while each of the remaining investments 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, 2022, the maturities of the City's long-term investments were as follows:

		Maturity in Years	
Investment Type	Fair Value	1-5	6-10
Municipal bonds	$ 1,805,386	$ 1,805,386	$ -
Federal agencies	6,676,870	6,676,870	-
Market-linked certificates of deposit	2,542,284	2,542,284	-
Total investments	$ 11,024,540	$ 11,024,540	$ -

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:

		Fair Value Measurements Using:		
Investment Type	Fair Value	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments by fair value level:				
Debt securities:				
Municipal bonds	$ 1,805,386	$ -	$ 1,805,386	$ -
Federal agencies	6,676,870	-	6,676,870	-
Market-linked certificates of deposit	2,542,284	-	2,542,284	-
Total	$ 11,024,540	$ -	$ 11,024,540	$ -

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 $3,706,742, the Department's deposits at June 30, 2022 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, 2022.

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, 2022 (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, 2022 may be returned to the revenue fund. A summary of deposits with bond trustees at June 30, 2022 is as follows:

Bond funds:		
Construction fund	$	19,203,851
Renewal and replacement fund	$	867,000
Debt service fund		2,235,013
Debt service reserve fund		3,536,882
Accrued interest receivable		38,474
Total	$	25,881,220

E. *Fair Value*

All of the Electric Department's investments as of June 30, 2022, 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, 2022, out of the School Districts deposits of $36,098,889, $132,163 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	$ 23,945	$ 417,305	N/A	(a)	N/A
Hamilton Lane Private Equity Offshore Fund VII Series A LP	599,992	195,175	N/A	(a)	N/A
Hamilton Lane Private Equity Offshore Fund VII Series B LP	267,287	174,774	N/A	(a)	N/A
Sustainable Woodlands Fund II LP	322,154	-	N/A	(a)	N/A
EB DV Non-SL Stock Index Fund	64,079,566	-	daily		1 day
Johnson Institutional Core Bond	44,960,446	-	daily		1 day
EB DL Smid Cap Stock Index Fund	21,539,422	-	daily		1 day
EB DV Non-SL International Stock Index Fund	47,173,823	-	daily		1 day
EB DV Non-SL Emerging Markets Stock Index Fund	19,528,311	-	weekly		2 days
USB Realty Investors LLC - Trumbull Prop	12,774,450	-	N/A	(a)	N/A
Total	$ 211,269,396				

(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, 2022 consisted of the following:

Property taxes:	
2022	$ 417,218
2021	399,405
2020	214,437
Prior years	989,990
Less: Allowance for doubtful taxes	(233,828)
Total	$ 1,787,222

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 liened in a similar manner as property taxes, described in Note 4.

User fees receivable and the related allowance for doubtful accounts at June 30, 2022 consist of the following:

	Billed Service Fees	Estimated Unbilled Fees	Allowance for Doubtful Fees	Total
Electric	$ 4,947,895	$ 2,121,852	$ (159,811)	$ 6,909,936
Airport	1,652,834	-	(7,844)	1,644,990
Wastewater	1,067,891	639,337	(3,000)	1,704,228
Nonmajor Enterprise Funds:				
Water	1,037,193	524,317	(3,000)	1,558,510
Stormwater	208,432	123,618	-	332,050
Total	$ 8,914,245	$ 3,409,124	$ (173,655)	$ 12,149,714

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:

	Gross	Allowance for Doubtful Accounts	Total
Police tickets	$ 1,900,318	$ (1,337,351)	$ 562,967
Local option sales tax	647,086	-	647,086
Ambulance	1,470,997	(525,995)	945,002
Church Street marketplace	75,136	-	75,136
Code enforcement	400,005	(92,147)	307,858
Equipment maintenance	72,110	-	72,110
Fire	93,100	(17,996)	75,104
Franchise fees	115,221	-	115,221
Gross receipts tax	436,805	-	436,805
Other	222,358	(8,462)	213,896
Total	$ 5,433,136	$ (1,981,951)	$ 3,451,185

7. Intergovernmental Receivables

This balance represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal year 2022.

	Governmental Activities	Business-Type Activities	Total
Community and economic development	$ 465,590	$ -	$ 465,590
Capital project grants	5,338,046	-	5,338,046
Airport improvement program (AIP) grants	-	8,880,925	8,880,925
COVID and other grants		2,412,780	2,412,780
State Revolving Loan program	-	2,156,125	2,156,125
Total	$ 5,803,636	$ 13,449,830	$ 19,253,466

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 Burlington International Airport at June 30, 2022:

	Receivable	Less: Discount	Less: Allowance	Total
CEDO:				
HODAG loans	$ 7,415,942	$ -	$ (5,932,754)	$ 1,483,188
Housing and urban development programs:				
HOME loans	10,772,252	(4,785,807)	(4,177,698)	1,808,747
Lead paint loans	2,787,088	(150,456)	(1,979,096)	657,536
Other CEDO loans	326,150	(75,436)	(90,465)	160,249
BCDC:				
Relief loan from Champlain Housing	87,018	-	-	87,018
Westlake Parking - $72,000 annual payment at 7% interest with $448,000 due on July 26, 2026	614,632	-	-	614,632
Governmental funds subtotal	22,003,082	(5,011,699)	(12,180,013)	4,811,370
Airport:				
Aviation Support Hanger - annual payments of $93,172 with an interest rate of 3%, maturing in June 2026	350,784	-	-	350,784
Total loans receivable	$ 22,353,866	$ (5,011,699)	$ (12,180,013)	$ 5,162,154

9. Leases Receivable

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. 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. Material 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, 2022, the value of the lease receivable was $3,915,611. 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, 2022 was $3,893,119, 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, 2022, the value of the lease receivable was $1,852,847. 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, 2022 was $1,657,811, 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, 2022, the value of the lease receivable was $2,553,565. 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, 2022 was $2,539,684, 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, 2022, the value of the lease receivable was $2,205,841. The lessee is required to make monthly fixed payments of $46,498.42. The lease has an interest rate of 0.577%. The value of the deferred inflow of resources as of June 30, 2022 was $2,200,572, 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, 2022, the value of the lease receivable was $2,189,967. 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, 2022 was $2,184,736, 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, 2022, the value of the lease receivable was $2,238,384. 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, 2022 was $2,233,038, 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, 2022, the value of the lease receivable was $1,514,856. 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, 2022 was $1,495,844, and the Airport recognized lease revenue of $239,335 during the fiscal year.

Regarding the non-material leases: There are eighteen leases falling into this category. These leases range in length from 24 months to 154 months. As of June 30, 2022, the value of the individual lease receivables ranged from $41,972 to $640,745. 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, 2022 was $13,082 to $570,204, and Airport recognized lease revenues ranging from $7,780 to $182,286 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, 2022 was $1,309,189. One year remains in the contracts (fiscal year 2023) and minimum expected receipts for fiscal year 2023 are $1,237,005.

10. Interfund Accounts

Interfund receivable and payable accounts as of June 30, 2022 were as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	$ 3,823,883	$ -
Nonmajor governmental funds:		
Parking facilities	-	2,239,706
Church street marketplace	-	46,881
Community development corporation	-	1,537,296
Total	$ 3,823,883	$ 3,823,883

The composition of advances to/from other funds (amounts considered to be long-term) as of June 30, 2022 is as follows:

Fund	Advances to Other Funds	Advances from Other Funds
General Fund	$ 703,308	$ -
Capital Projects Fund (major fund)	-	703,308
Total	$ 703,308	$ 703,308

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 2022:

Governmental Funds:	Transfers In	Transfers Out
Major funds:		
General Fund	$ 5,436,615	$ 4,434,585
Capital Projects fund	4,691,147	-
Nonmajor governmental funds:		
Special revenue funds:		
Traffic	-	-
Parking facilities	-	64,400
Community and economic development	754,709	2,045,522
TIF waterfront	-	51,079
TIF downtown	-	91,807
Church street marketplace	21,000	-
Impact fees	-	421,815
Permanent funds:		
Cemetery	-	23,811
Subtotal Nonmajor Governmental funds	775,709	2,698,434
Business-type Funds:		
Major fund:		
Electric	-	2,274,239
Wastewater	-	1,163,570
Nonmajor funds:		
Water	-	358,759
Stormwater	50,702	24,586
Subtotal Business-type Funds:	50,702	3,821,154
Grand Total	$ 10,954,173	$ 10,954,173

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, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 15,751,200	$ 124,728	$ -	$ 15,875,928
Construction in progress	45,595,474	10,881,195	-	56,476,669
Antiques and works of art	52,000	-	-	52,000
Total capital assets, not being depreciated	61,398,674	11,005,923	-	72,404,597
Capital assets, being depreciated:				
Land improvements	12,789,763	-	-	12,789,763
Buildings and building improvements	59,013,727	-	-	59,013,727
Vehicles, machinery, equipment and furniture	31,062,701	1,640,178	(698,300)	32,004,579
Book collections	2,730,166	324,428	-	3,054,594
Infrastructure	149,952,059	4,176,202	-	154,128,261
Total capital assets, being depreciated	255,548,416	6,140,808	(698,300)	260,990,924
Less accumulated depreciation for:				
Land improvements	(3,304,883)	(405,534)	-	(3,710,417)
Buildings and building improvements	(17,749,339)	(856,941)	-	(18,606,280)
Vehicles, machinery, equipment and furniture	(20,679,555)	(1,861,924)	668,788	(21,872,691)
Book collections	(2,426,450)	(159,776)	-	(2,586,226)
Infrastructure	(90,739,911)	(4,209,175)	-	(94,949,086)
Total accumulated depreciation	(134,900,138)	(7,493,350)	668,788	(141,724,700)
Total capital assets, being depreciated, net	120,648,278	(1,352,542)	(29,512)	119,266,224
Governmental activities capital assets, net	$ 182,046,952	$ 9,653,381	$ (29,512)	$ 191,670,821

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, not being depreciated:				
Land	$ 54,970,553	$ -	$ -	$ 54,970,553
Construction in progress	61,548,244	31,629,940	(12,767,318)	80,410,866
Total capital assets, not being depreciated	116,518,797	31,629,940	(12,767,318)	135,381,419
Capital assets, being depreciated:				
Land improvements	182,024,430	11,187,087	-	193,211,517
Buildings and building improvements	30,885,999	-	-	30,885,999
Vehicles, machinery, equipment and furniture	27,459,442	207,700	-	27,667,142
Right to use vehicles, machinery and equipment	1,887,417	-	-	1,887,417
Distribution and collection systems	258,261,878	5,064,820	(3,271,626)	260,055,072
Total capital assets, being depreciated/amortized	500,519,166	16,459,607	(3,271,626)	513,707,147
Less accumulated depreciation for:				
Land improvements	(49,941,754)	(6,112,425)	-	(56,054,179)
Buildings and building improvements	(67,675,353)	(651,748)	-	(68,327,101)
Vehicles, machinery, equipment and furniture	(21,333,583)	(878,228)	-	(22,211,811)
Right to use vehicles, machinery and equipment	-	(198,676)	-	(198,676)
Distribution and collection systems	(142,614,511)	(6,494,389)	3,003,695	(146,105,205)
Total accumulated depreciation/amortized	(281,565,201)	(14,335,466)	3,003,695	(292,896,972)
Total capital assets, being depreciated, net	218,953,965	2,124,141	(267,931)	220,810,175
Business-type activities capital assets, net	$ 335,472,762	$ 33,754,081	$ (13,035,249)	$ 356,191,594

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

Governmental Activities:		
General government	$	130,792
Public safety		1,044,995
Public works		4,489,429
Community development		208,041
Culture and recreation		1,620,093
Total depreciation expense - governmental activities	$	7,493,350
Business-Type Activities:		
Electric	$	5,290,116 *
Airport		6,848,830
Wastewater		1,208,164
Water		885,157
Stormwater		103,199
Total depreciation expense - business-type activities	$	14,335,466

*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, 2022:

	Beginning Balance	Increases	Decreases	Ending Balance
Burlington School District:				
Capital assets, not being depreciated:				
Land	$ 2,251,677	$ -	$ -	$ 2,251,677
Construction in progress	227,651	2,052,783	(178,967)	2,101,467
Total capital assets, not being depreciated	2,479,328	2,052,783	(178,967)	4,353,144
Capital assets, being depreciated:				
Buildings and building improvements	68,764,010	1,046,090	-	69,810,100
Vehicles, machinery, equipment and furniture	5,412,382	344,961	(73,300)	5,684,043
Right of use lease asset	-	6,318,984	-	6,318,984
Total capital assets, being depreciated	74,176,392	7,710,035	(73,300)	81,813,127
Less accumulated depreciation for:				
Buildings and building improvements	(21,447,252)	(1,770,277)	-	(23,217,529)
Vehicles, machinery, equipment and furniture	(4,185,584)	(355,380)	43,980	(4,496,984)
Right to use lease asset	-	(1,931,368)	-	(1,931,368)
Total accumulated depreciation	(25,632,836)	(4,057,025)	43,980	(29,645,881)
Total capital assets, being depreciated, net	48,543,556	3,653,010	(29,320)	52,167,246
Burlington School District capital assets, net	$ 51,022,884	$ 5,705,793	$ (208,287)	$ 56,520,390

12. Regulatory Assets and Regulatory Deferred Inflows of Resources

For the Electric Department, regulatory assets and regulatory deferred inflows of resources at June 30, 2022 comprise the following:

Deferred depreciation expense to be recovered in future years	$ 1,265,260
COVID-19 capitalized personnel costs	227,139
IBEW pension back-payment	304,643
Triennial consulting engineer report	36,668
Total regulatory assets	$ 1,833,710
Deferred depreciation expense - McNeil Plant	$ 2,874,376
Deferred depreciation expense - operating	2,785,939
Total regulatory deferred inflows of resources	$ 5,660,315

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 $4,798,210 for the year ended June 30, 2022. In 2022, $930,427 of deferred depreciation expense was realized. Unamortized deferred depreciation balance of $1,265,260 remained at June 30, 2022. 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 November 2021, the Airport renewed the GAN 3.065%. The drawdowns during fiscal year 2022 were $3,829,737, and repayments were $1,288,680 with outstanding balance of $2,541,057 at June 30, 2022. The unused limit at June 30, 2022 was $7,458,943.

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 2022 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 $6,522,666 at July 1, 2021, additional drawdowns of $1,923,418 during fiscal year 2022, and permanent refinancing of $3,012,529. Available balance for use was $4,379,334 at June 30, 2022.

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 6/30/22
Non-TIF Public offering general obligation and revenue bonds:				
General Improvements 2011 Series B	06/30/2030	2.00 - 4.75%	$ 1,000,000	$ 455,000
Public Improvement Bonds 2012 Series A	06/30/2023	5.00%	3,000,000	140,000
Taxable G.O. Bonds 2013 Series A - Fiscal Stability	11/01/2028	3.50 - 5.25%	9,000,000	4,820,000
Public Improvement Bonds 2015 Series A	06/30/2023	5.00%	2,000,000	80,000
Refunding Bond Series 2016A	06/30/2030	3.00 - 5.00%	2,195,000	815,000
Public Improvement Bonds 2016 Series B	11/01/2036	4.00 - 5.00%	2,000,000	1,665,000
Refunding Bond Series 2016C	11/01/2029	2.00 - 5.00%	2,545,000	1,950,000
Public Improvement Bonds 2017 Series A	11/01/2036	1.20 - 3.85%	5,267,000	3,917,000
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	1,730,000
Public Improvement Bonds 2018 Series A - UVM & Champlain College	11/01/2037	4.00 - 5.00%	5,650,000	4,905,000
Public Improvement Bonds 2018 Series A - Fire Truck	11/01/2030	4.00 - 5.00%	3,000,000	2,410,000
Public Improvement Bonds 2018 Series A - G.O. Capital	11/01/2038	4.00 - 5.00%	6,000,000	5,430,000
Public Improvement Bonds 2018 Series B - City Portion	11/01/2038	5.00%	2,000,000	1,815,000
Public Improvement Bonds 2019 Series A - City Portion	11/01/2039	3.00 - 5.00%	2,000,000	1,880,000
Public Improvement Bonds 2019 Series A - Sustainable Bonds	11/01/2039	3.00 - 5.00%	10,500,000	9,855,000
Taxable G.O. Bonds Refunding 2019 Series C - City Portion	11/01/2035	1.844 - 3.031%	9,225,000	8,620,000
G.O. Public Improvement Series 2021A - City Portion	11/01/2041	3.00 - 5.00%	1,750,000	1,750,000
Total non-TIF public offering general obligation bonds				54,967,000
TIF public offering general obligation bonds:				
Refunding COP Series 2016A - Lakeview Garage Project	06/30/2025	3.00 - 5.00%	5,145,000	1,650,000
General Obligation Tax Increment Bonds, Series 2017D	11/01/2035	2.00 - 5.00%	3,400,000	2,850,000
General Obligation Tax Increment Bonds, Series 2018C	05/01/2025	5.00%	405,000	200,000
General Obligation Tax Increment Bonds, Series 2018D	11/01/2035	5.00%	1,570,000	1,380,000
General Obligation Waterfront Tax Increment Bonds Series 2018E	05/01/2025	4.30%	745,000	360,000
Total TIF public offering general obligation bonds				6,440,000
Total public offering general obligation and revenue bonds				61,407,000
TIF direct borrowing debt:				
HUD Section 108 - US Guaranteed Notes 2014	06/15/2025	5.00%	2,091,000	754,000
Special Obligation Tax Increment Financing Bond	11/15/2024	0.51 - 4.28%	7,800,000	2,340,000
General Obligation Waterfront Tax Increment Bonds Series 2019	06/30/2025	2.61%	4,360,000	3,995,909
Non-TIF direct borrowing general obligation bond:				
Public Improvement Bonds 2014 Series A	11/15/2034	0.51 - 3.99%	2,000,000	1,300,000
BCDC direct borrowing loans:				
Aviation support hanger	06/01/2026	3.00%	1,400,000	651,468
Gilbane property	10/30/2025	6.25%	324,049	102,757
Relief long term notes	11/15/2024	3.25 - 4.00%	996,116	87,021
Total direct borrowing debt:				9,231,155
Total Governmental Activities:				$ 70,638,155

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

Business-Type Activities:	Serial Maturities Through	Interest Rate(s) %	Amount Issued	Amount Outstanding as of 6/30/22
Public offering general obligation bonds:				
Electric General Improvements 2011 Series B	11/01/2031	2.00 - 4.75%	$ 1,000,000	$ 595,000
Electric Public Improvement 2012 Series A	11/01/2032	5.00%	2,000,000	95,000
Electric Public Improvement 2012 Series A	11/01/2032	5.00%	1,750,000	80,000
Electric Taxable Public Improvement 2012 Series B	11/01/2032	6.00%	1,250,000	860,000
Electric G.O. Public Improvement Bonds 2014 Series 3	11/01/2034	2.78%	3,000,000	1,950,000
Electric G.O. Public Improvement Bonds 2015 Series A	11/01/2035	5.00%	3,000,000	120,000
Electric G.O. Refunding Bond 2016 Series A	11/01/2029	2.00-5.00%	10,235,000	7,125,000
Electric G.O. Public Improvement Bonds 2016 Series B	11/01/2036	4.00 - 5.00%	3,000,000	2,500,000
Electric G.O. Refunding Bond 2016 Series C	11/01/2029	2.00 - 5.00%	7,785,000	5,970,000
Electric Taxable Refunding 2016 Series D	11/01/2029	1.15 - 3.25%	9,680,000	7,125,000
Electric G.O. Public Improvement Bonds 2017 Series C	11/01/2037	2.00 - 5.00%	3,000,000	2,590,000
Electric G.O. Public Improvement Bonds 2018 Series B	11/01/2038	5.00%	3,000,000	2,715,000
Electric G.O. Public Improvement Bonds 2019 Series A	11/01/2040	4.39%	3,000,000	2,815,000
Electric G.O Public Improvement Bonds 2019 Series C	11/01/2036	2.59%	8,130,000	7,745,000
Electric G.O Public Improvement Bonds 2021 Series A	11/1/2041	3.45%	2,625,000	2,625,000
Electric Bond Anticipation Note 2021	10/21/2022	0.44%	3,000,000	3,000,000
Total public offering general obligation bonds				47,910,000
Other public offering debt:				
Electric Revenue Bonds 2014 Series A	07/01/2035	3.78%	12,000,000	8,715,000
Electric Revenue Bonds 2014 Series B	07/01/2035	3.36%	5,820,000	1,930,000
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	2,755,000
Electric Revenue Bonds 2017 Series A	07/01/2031	4.00 - 5.00%	4,010,000	4,010,000
Taxable Electric Revenue Bonds 2017 Series B	07/01/2031	2.20 - 3.65%	5,410,000	4,520,000
Water System Revenue Bonds 2018 Series A	11/01/2038	4.00 - 5.00%	2,000,000	1,810,000
Water System Revenue Bonds 2018 Series B	11/01/2038	5.00%	2,000,000	1,815,000
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				68,925,000
Total public offering debt:				116,835,000
Direct borrowing debt:				
Stormwater Revenue Obligation Bond (VMBB)	10/01/2031	0.00%	1,204,000	275,857
Wastewater State of VT-EPA 2006 Series 1 (Siphon)	02/01/2027	0.00%	1,650,000	511,500
Wastewater State of VT-EPA 2001 Series 1 (Digester)	08/01/2027	0.00%	2,500,000	626,138
Wastewater State of VT-EPA 2009 Series I (Turbo)	10/01/2031	0.00%	120,000	34,094
Water State Revolving Loan RF3-295	11/01/2034	1.00%	253,340	146,788
Wastewater VT Municipal Bond Bank 2014 Series 1	11/15/2033	0.643 - 4.723%	14,645,620	8,787,372
Wastewater State of VT-EPA Series 2020	06/01/2041	0.00%	390,063	372,571
Wastewater State of VT-EPA RF1-246-3.0 (disinfection Systems)	04/01/2041	0.00%	2,622,466	2,410,001
Total direct borrowing debt				13,164,321
Total Business-Type Activities:				$ 129,999,321

B. *Future Debt Service*

The annual payments to retire all governmental general obligation long-term debt outstanding as of June 30, 2022 are as follows:

	Governmental Activities			
	Public Offering General Obligation Bonds		Direct Borrowing	
Year Ending June 30,	Principal	Interest	Principal	Interest
2023	$ 4,205,000	$ 2,598,167	$ 1,405,201	$ 264,985
2024	4,355,000	2,420,450	1,391,855	221,667
2025	4,660,000	2,228,514	5,120,831	176,994
2026	4,060,000	2,036,533	239,357	68,351
2027	4,227,000	1,852,723	136,235	42,736
2028 - 2032	19,742,000	6,479,360	637,676	120,645
2033 - 2037	15,143,000	2,701,797	300,000	17,839
2038 - 2042	5,015,000	281,525	-	-
Total	$ 61,407,000	$ 20,599,069	$ 9,231,155	$ 913,217

The annual payments to retire all business-type long-term debt outstanding as of June 30, 2022 are as follows:

	Business-Type Activities			
	Public Offering General Obligation and Revenue Bonds		Direct Borrowing	
Year Ending June 30,	Principal	Interest	Principal	Interest
2023	$ 5,695,000	$ 4,551,339	$ 1,085,018	$ 347,349
2024	11,615,000	5,239,598	1,092,152	322,155
2025	8,980,000	4,782,209	1,099,431	295,581
2026	8,695,000	4,307,900	1,106,857	267,770
2027	8,925,000	3,819,794	1,114,435	238,957
2028 - 2032	44,245,000	11,698,469	4,665,893	734,175
2033 - 2037	17,050,000	4,658,982	2,324,750	64,581
2038 - 2042	9,960,000	1,515,500	675,785	-
2043	1,670,000	41,750	-	-
Total	$ 116,835,000	$ 40,615,541	$ 13,164,321	$ 2,270,568

C. Changes in General Long-Term Liabilities

During the year ended June 30, 2022, the following changes occurred in long-term liabilities for the City's governmental and business-type activities:

	Total Balance 7/1/2021	Additions	Reductions	Total Balance 6/30/2022	Less Current Portion	Equals Long Term Portion
Governmental Activities:						
Bonds payable:						
General obligation and other bonds	$ 63,672,000	$ 1,750,000	$ (4,015,000)	$ 61,407,000	$ (4,205,000)	$ 57,202,000
Direct borrowing bonds and loans	10,630,096	-	(1,398,941)	9,231,155	(1,405,201)	7,825,954
Add unamortized premium	5,698,258	289,792	(419,834)	5,568,216	(419,834)	5,148,382
Subtotal bonds payable	80,000,354	2,039,792	(5,833,775)	76,206,371	(6,030,035)	70,176,336
Net pension liability	66,665,322	-	(25,404,036)	41,261,286	-	41,261,286
Total OPEB liability	5,359,651	-	(1,269,986)	4,089,665	-	4,089,665
Direct borrowing equipment notes payable	4,580,268	2,830,700	(1,447,129)	5,963,839	(1,501,279)	4,462,560
Compensated absences liability	3,096,143	2,032,642	(2,522,996)	2,605,789	(260,579)	2,345,210
Insurance reserves	1,021,521	168,305	-	1,189,826	(891,194)	298,632
Total	$ 160,723,259	$ 7,071,439	$ (36,477,922)	$ 131,316,776	$ (8,683,087)	$ 122,633,689

	Total Balance 7/1/2021	Additions	Reductions	Total Balance 6/30/2022	Less Current Portion	Long Term Portion
Business-type Activities:						
Bonds payable:						
General obligation bonds	$ 48,330,000	$ 3,000,000	$ (3,420,000)	$ 47,910,000	$ (3,575,000)	$ 44,335,000
Revenue bonds	53,835,000	28,680,000	(13,590,000)	68,925,000	(2,120,000)	66,805,000
Direct borrowing bonds and loans	11,340,340	3,012,529	(1,188,548)	13,164,321	(1,085,018)	12,079,303
Add unamortized premium	5,471,624	4,187,434	(221,135)	9,437,923	(360,802)	9,077,121
Less unamortized discount	(1,538,968)	74,466	-	(1,464,502)	-	(1,464,502)
Subtotal bonds and loans payable	117,437,996	38,954,429	(18,419,683)	137,972,742	(7,140,820)	130,831,922
Net pension liability	22,119,845	-	(7,546,751)	14,573,094	-	14,573,094
Total OPEB liability	1,578,668	-	(228,357)	1,350,311	-	1,350,311
Direct borrowing notes and loans payable	4,166,495	1,903,479	(958,776)	5,111,198	(1,099,577)	4,011,621
Lease payable	1,887,417	-	(191,109)	1,696,308	(191,472)	1,504,836
Compensated absences liability	1,696,211	156,232	-	1,852,443	(709,117)	1,143,326
Total	$ 148,886,632	$ 41,014,140	$ (27,344,676)	$ 162,556,096	$ (9,140,986)	$ 153,415,110

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 Activities	Business-Type Activities
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.	$ -	$ 279,246
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.	345,466	408,432
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.	-	1,737,842
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.	375,519	130,055
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.	-	55,089
General fund vehicles -rental payments are to be made in equal monthly installments of $102,833, including interest at 3.45%, maturing on May 15, 2023.	99,353	-
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.	-	59,095
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.	765,840	363,840
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.	1,999,588	-
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.	747,280	-
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.	1,630,793	222,383
Total Equipment Financing Notes Payable	$ 5,963,839	$ 3,255,982

Future minimum payments under the equipment financing notes, which exclude the Electric Department, consisted of the following as of June 30, 2022:

Fiscal Year	Governmental Activities Principal	Governmental Activities Interest	Governmental Activities Total	Business-Type Activities Principal	Business-Type Activities Interest	Business-Type Activities Total
2023	$ 1,501,279	$ 91,976	$ 1,593,255	$ 784,276	$ 73,831	$ 858,107
2024	1,261,630	67,983	1,329,613	744,590	60,314	804,904
2025	1,068,871	43,962	1,112,833	549,497	41,688	591,185
2026	798,367	26,738	825,105	519,071	26,730	545,801
2027	275,755	18,164	293,919	450,607	14,155	464,762
2028 - 2032	806,063	24,047	830,110	207,941	2,818	210,759
2033 - 2034	251,874	4,667	256,541	-	-	-
Total	$ 5,963,839	$ 277,537	$ 6,241,376	$ 3,255,982	$ 219,536	$ 3,475,518

16. Long-Term Liabilities - Burlington School District

A. Bonds Payable

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

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

School District:	Serial Maturities Through	Interest Rate(s) %	Amount Issued	Amount Outstanding as of 6/30/22
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	1,185,000
G.O. Public Improvements 2012 Series A	6/30/2023	5.00%	440,000	155,000
G.O. Public Improvement Bonds 2014 Series A	11/15/2034	0.51 - 3.99%	2,000,000	1,300,000
G.O. Public Improvement Bonds 2015 Series A	6/30/2023	5.00%	230,000	80,000
G.O. Public Improvement Bonds 2016 Series A	3/15/2036	2.00 - 5.00%	4,005,000	1,985,000
G.O. Public Improvement Bonds 2016 Series B	11/1/2036	4.00 - 5.00%	2,000,000	1,665,000
G.O. Public Improvement Bonds 2016 Series C	11/1/2029	2.00 - 5.00%	1,650,000	1,270,000
G.O. Public Improvement Bonds 2017 Series C	11/1/2037	2.00 - 5.00%	2,300,000	1,980,000
G.O. Public Improvement Bonds 2018 Series B	11/1/2038	5.00%	8,000,000	7,245,000
G.O. Public Improvement Bonds 2019 Series A	11/1/2039	4.00%	6,000,000	5,635,000
G.O. Public Improvement Refunding Bonds 2019 Series C	11/1/2035	1.84 - 3.03%	5,495,000	5,275,000
G.O. Public Improvement Bonds 2021 Series A	11/1/2041	3.00-5.00%	1,750,000	1,750,000
Subtotal School District				41,225,000
Plus: unamortized premiums				1,809,535
Total School District				$ 43,034,535

B. *Future Debt Service*

The annual payments to retire the Burlington School District's bonds payable outstanding as of June 30, 2022 are as follows (amounts include unamortized bond premiums):

Fiscal Year	Principal	Interest	Total
2023	$ 1,973,666	$ 1,976,822	$ 3,950,488
2024	1,973,666	1,898,975	3,872,641
2025	2,063,666	1,820,572	3,884,238
2026	2,043,666	1,655,234	3,698,900
2027	13,778,666	1,188,622	14,967,288
2028 - 2032	9,102,502	2,955,664	12,058,166
2033 - 2037	7,187,064	1,340,819	8,527,883
2038 - 2042	4,911,639	799,500	5,711,139
Total	$ 43,034,535	$ 13,636,208	$ 56,670,743

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 Department'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, 2022:

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable				
Advances to other funds	$ 703,308	$ -	$ -	$ 703,308
Inventory and prepaid expenditures	667,485	-	351,940	1,019,425
Nonexpendable permanent funds	-	-	1,203,486	1,203,486
Total Nonspendable	1,370,793	-	1,555,426	2,926,219
Restricted				
Future debt payments	2,048,210	-	-	2,048,210
Police equitable sharing funds	294,642	-	-	294,642
Community development	-	-	1,732,717	1,732,717
TIF waterfront	-	-	2,408,724	2,408,724
TIF downtown	-	-	4,289,076	4,289,076
Impact fees	-	-	1,114,802	1,114,802
Capital improvement program	-	9,308,675	-	9,308,675
Expendable permanent funds	-	-	73,931	73,931
ARPA	-	-	398	398
Total Restricted	2,342,852	9,308,675	9,619,648	21,271,175
Committed				
Public records restoration	428,638	-	-	428,638
Compressed natural gas	174,483	-	-	174,483
Fire alarm surcharge	143,681	-	-	143,681
Traffic	79,300	-	271,109	350,409
Library books and donations	12,278	-	-	12,278
Parking and other projects	23,000	-	-	23,000
Telecom sale proceeds	-	-	893,629	893,629
Total Committed	861,380	-	1,164,738	2,026,118
Assigned for				
Health insurance reserve - limits	750,000	-	-	750,000
Liability insurance reserve	1,000,000	-	-	1,000,000
Great Streets - Champlain College	780,000	-	-	780,000
Early learning initiative grant	680,805	-	-	680,805
BPRW investment	520,000	-	-	520,000
Fleet reserve	665,000	-	-	665,000
Reappraisal	441,958	-	-	441,958
Regional programs	480,000	-	-	480,000
Police rebuilding fund	750,000	-	-	750,000
Recycling toters	500,000	-	-	500,000
Information technology	500,000	-	-	500,000
Other purposes	1,846,981	-	-	1,846,981
Total Assigned	8,914,744	-	-	8,914,744
Unassigned	8,637,873	(703,308)	(3,998,935)	3,935,630
Total Unassigned	8,637,873	(703,308)	(3,998,935)	3,935,630
Total Fund Balance	$ 22,127,642	$ 8,605,367	$ 8,340,877	$ 39,073,886

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, 2022, there are 882 active members and 814 retirees or beneficiaries currently receiving benefits. Additionally, there are 656 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 66⅔% of pay.

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

C. *Contributions*

Participants contribute a set percentage of their gross regular compensation annually. Class A participants contribute 12.28% 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 6.2%. All Class B participants not covered by a collective bargaining agreement contribute 5.34% and all Class A employees not covered by a collective bargaining agreement contribute 14.42%.

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, 2022, measured as of June 30, 2021, are shown below:

Total pension liability	$ 310,778,910
System fiduciary net position	(248,934,922)
Net pension liability	$ 61,843,988
Plan fiduciary net position as a percentage of the net pension liability	80.10%

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:

Asset Class	Target Asset Allocation	Long-term Expected Real rate of Return
Core Fixed Income	17.50%	3.70%
US Bonds - Dynamic	7.50%	3.70%
U.S. Large Cap Equity	31.00%	7.10%
U.S. Small Cap Equity	9.00%	7.40%
International Developed Equity	20.50%	9.90%
International Emerging Markets Equity	7.00%	11.20%
Private Equity	0.50%	10.20%
Real Estate	6.00%	7.40%
Timberland	1.00%	7.40%

Discount Rate – The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current System members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the System's net pension liability calculated using the discount rate of 7.20%, 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 (6.20%) or one percentage-point higher (8.20%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Primary government	$ 88,157,331	$ 55,834,380	$ 28,835,071
Discretely presented component unit	9,311,807	6,009,608	3,222,896
Net Pension Liability	$ 97,469,138	$ 61,843,988	$ 32,057,967

E. *Deferred Outflows and (Inflows) of Resources*

For the year ended June 30, 2022, the City recognized pension expense of $8,128,990. 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 2022 deferred pension contributions	$ 9,717,126	$ -
Changes in proportional share of contributions	1,397,500	(1,361,687)
Difference between expected and actual pension experience	1,732,751	-
Changes in assumptions	3,337,000	-
Difference between projected and actual investment earnings	-	(26,822,778)
Total Primary Government	16,184,377	(28,184,465)
Discretely Presented Component Unit:		
Changes in proportional share of contributions	99,153	(134,966)
Difference between expected and actual pension experience	186,501	-
Changes in assumptions	359,170	-
Difference between projected and actual investment earnings	-	(2,887,009)
Total Discretely Presented Component Unit	644,824	(3,021,975)
Total	$ 16,829,201	$ (31,206,440)

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, 2023. 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:		
2023	$	(2,541,224)
2024		(4,394,043)
2025		(6,511,567)
2026		(8,270,380)
Total Primary Government		(21,717,214)
Year ended June 30:		
2023		(270,772)
2024		(515,356)
2025		(700,858)
2026		(890,165)
Total Discretely Presented Component Unit		(2,377,151)
Total	$	(24,094,365)

F. *Rate of Return*

For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was -13.2%. 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 2022 was $10,821,716. A summary of the actuarial assumptions as of the latest actuarial valuation is shown below:

Valuation Date	June 30, 2021
Actuarial cost method	Entry Age Normal Actuarial Cost Method (level percentage of salary)
Actuarial assumptions:	
Investment rate of return	7.20% (Prior: 7.30%)
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, 2021 valuation were based on the results of the most recent actuarial experience study covering the period July 1, 2012 to June 30, 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 7.2%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current System members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Net Pension Liability – The components of the net pension liability, measured as of June 30, 2022, were as follows:

Total pension liability	$ 319,075,820
Plan fiduciary net position	(209,424,801)
Net pension liability	$ 109,651,019
Plan fiduciary net position as a percentage of the net pension liability	65.63%

21. Vermont State Teachers' Retirement System

A. Plan Description

All of the teachers employed by the Burlington School District (BSD), a component unit of the City, participate in the Vermont State Teachers' Retirement System (VSTRS), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, covering nearly all public day school and nonsectarian private Union teachers and administrators as well as teachers in schools and teacher training institutions within and supported by the State of Vermont that are controlled by the State Board of Education. Membership in the VSTRS for those covered classes is a condition of employment. During the year ended June 30, 2020 (the most recent period available), the retirement system consisted of 23,436 participating members.

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

The general administration and responsibility for formulating administrative policy and procedures of the 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 $6,807,198 or 19% of total payroll for employees covered under the plan.

Employee contribution rates by plan group follow:

VSTRS	Group A	Group C - Group 1	Group C - Group 2
Employee Contributions	5.5% of gross salary;	5.0% of gross salary	5.0% of gross salary with 5 or more years of service as of 7/1/14
	contributions stop after 25 years of creditable service		6.0% of gross salary if less than 5 years of service as of 7/1/14

Employee contributions totaled $1,955,100 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 $35,307,041 for the year ended June 30, 2022. 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, 2022 were $365,853. The Supervisory Union's total payroll for all federally funded employees covered under this plan was $1,897,581 for the year ended June 30, 2022.

D. *Pension Liabilities*

The State is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of member employers. Therefore, these employers are considered to be in a special funding situation as defined in GASB No. 68 and the State is treated as a nonemployer to VSTRS. Since the School District does not contribute directly to VSTRS, no net pension liability was recorded at June 30, 2020. The State's portion of the collective net pension liability that was associated with the School District was $79,841,269 as of June 30, 2022.

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, 2021, 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, 2021, the School District's proportion was 4.709% which was an increase of 0.101% from its proportion measured as of June 30, 2020.

E. *Pension Expense*

For the year ended June 30, 2022, the School District recognized total pension expense and revenue of $10,218,483 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, 2021 measurement date was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using the actuarial assumptions outlined below.

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

<u>Inflation</u> – 2.30%.

<u>Salary Increases</u> – ranging from 3.30% 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-2019for 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, 2022 COLA is assumed to be 4.60% for Group A and 2.30% 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, 2021 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-term Expected Real rate of Return
Global Equity	24.00%	5.05%
US Equity - Large Cap	4.00%	4.00%
US Equity - Small/Mid Cap	3.00%	4.50%
Non-US Equity - Large Cap	7.00%	5.50%
Non-US Equity - Small Cap	0.00%	0.00%
Emerging Markets Debt	4.00%	3.00%
Core Bonds	19.00%	0.00%
Private & Alternative Credit	10.00%	4.75%
US TIPS	3.00%	-0.50%
Core Real Estate	4.00%	3.75%
Non-Core Real Estate	4.00%	5.75%
Private Equity	10.00%	6.75%
Infrastructure/Farmland	3.00%	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 will continue to be made in accordance with the current funding policy which exceeds the actuarially determined contribution rate. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current 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, 2022.

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 5.83% of their compensation for fiscal year 2022.

Plan Membership

At July 1, 2022 (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	623
Total	1,056

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022, 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	3.54% (prior 2.16%)
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, 2022.

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 3.54%. 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, 2022 and was determined by an actuarial valuation as of July 1, 2022.

Changes in the Total OPEB Liability

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

	Total OPEB Liability
Balance as of June 30, 2021	$ 6,938,319
Changes for the year:	
Service cost	446,755
Interest	160,062
Differences between expected and actual experience	(1,243,743)
Changes in assumptions or other inputs	(912,019)
Benefit payments	50,602
Net Changes	(1,498,343)
Balance as of June 30, 2022	$ 5,439,976

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 3.54%, as well as what the total OPEB liability would be if it was calculated using a discount rate that is one percentage-point lower (2.54%) or one percentage-point higher (4.54%) than the current rate:

1% Decrease	Current Discount Rate	1% Increase
$ 6,172,410	$ 5,439,976	$ 4,827,298

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
$ 4,952,962	$ 5,439,976	$ 6,029,852

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

For the year ended June 30, 2022, the City recognized an OPEB expense of $365,065. At June 30, 2022, the City reported deferred outflows and (inflows) of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between expected and actual experience	$ 44,891	$ (1,606,441)
Change in assumptions	939,811	(804,724)
Changes in proportional share of contributions	378,206	(378,206)
Total	$ 1,362,908	$ (2,789,371)

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

Year Ended June 30:	
2023	$ (241,752)
2024	(241,761)
2025	(241,554)
2026	(320,608)
2027	(380,788)
Total	$ (1,426,463)

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, 2022, the following employees were covered by the benefit terms:

Retirees and spouses	46
Active plan members	585
Total	631

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, 2022 and was determined by an actuarial valuation as of that date.

For the year ended June 30, 2022, the District recognized OPEB expense of $386,848. At June 30, 2022, the District reported deferred outflows of resources and deferred (inflows) of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 131,735	$ 362,376
Change in assumptions	220,684	755,072
Total	$ 352,419	$ 1,117,448

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:	
2023	$ (196,535)
2024	(119,446)
2025	(165,601)
2026	(61,353)
2027	(61,353)
Thereafter	(160,741)
Total	$ (765,029)

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, 2022. 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 4.09% per annum for June 30, 2022 was based upon a measurement date of June 30, 2022. The sensitivity of the total and net OPEB liability to changes in discount rate are as follows:

1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
$ 6,770,336	$ 6,394,701	$ 6,029,502

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:

1% Decrease	Healthcare Cost Trend Rates	1% Increase
$ 5,786,185	$ 6,394,701	$ 7,096,931

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, 2022 based on an actuarial valuation date of June 30, 2022.

Discount Rate: 4.09% as of June 30, 2022 and 2.19% for July 1, 2021

Experience Study

Best actuarial practices call for a periodic assumption review and Nyhart recommends the School District to complete an actuarial assumption review (also referred to as an experience study).

Health Care Trend Rates

FYE	Rates	FYE	Rates
2023	7.5%	2026	6.0%
2024	7.0%	2027	5.5%
2025	6.5%	2028	5.0%
		2029+	4.5%

Inflation Rate: 2.3% per year

Mortality:

Teachers and Admin employees and retirees: SOA Pub-2010 Teacher Headcount Weighted Mortality Table fully generational using Scale MP-2021

Non-Teacher Employees and retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021

Disabled Retirees: SOA Pub-2010 Non-Safety Disabled Retiree Headcount Weighted Mortality Table fully generational using Scale MP-2021

Surviving Spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021

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, 2021 for non-teachers and Vermont State Teachers Retirement System (VSTRS) OPEB actuarial valuation as of June 30, 2022 for teachers and administration.

Benefit Changes

There have been no substantive plan provision changes since the last full valuation, which was for the fiscal year ending June 30, 2020.

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

<u>Vermont State Teachers' Retirement System</u>

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, 2020, the Plan consisted of 7,094 retired members or beneficiaries currently receiving benefits and 9,996 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, 2022. The State's portion of the collective net OPEB liability that was associated with the District was $51,875,317.

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, 2021, 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, 2021, the District's proportion was 4.067% which was an increase of 0.070% from its proportion measured as of June 30, 2020.

E. OPEB Expense

For the year ended June 30, 2022, the District recognized total OPEB expense and revenue of $3,427,753 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 2021 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, 2021, 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, 2021 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-term Expected Real rate of Return
Global Equity	29.00%	5.05%
US Equity - Large Cap	4.00%	4.00%
US Equity - Small/Mid Cap	3.00%	4.50%
Non-US Developed Market Equities	7.00%	5.50%
Emerging Markets Debt	4.00%	3.00%
Core Bonds	19.00%	0.00%
Private & Alternative Credit	10.00%	4.75%
US TIPS	3.00%	-0.50%
Core Real Estate	4.00%	3.75%
Non-Core Real Estate	4.00%	5.75%
Private Equity	10.00%	6.75%
Infrastructure/Farmland	3.00%	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, 2021, they are as follows:

Discount Rate	2.20%
Salary Increase Rate	Varies by age
Non-Medicare	6.7% graded to 4.5% over 10 years
Medicare	6.0% graded to 4.5% over 11 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, 2021 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-seven years as of July 1, 2021. For the fiscal year ended June 30, 2021, there were no changes in assumptions except for the discount rate being increased from 2.21% to 2.20%.

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

In addition to energy provided by its owned generation, BED purchases a portion of its electricity requirements pursuant to long-term (greater than one year in duration) contracts. During the fiscal year ended June 30, 2022, 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 10% of BED's annual energy requirements.
- BED purchases energy from the Georgia Mountain Community Wind (GMCW) project with commercial operation on December 31, 2012. Pursuant to a 25-year contract, BED receives 10MW (100%) entitlement from Georgia Mountain's wind farm in Milton/Georgia, Vermont. GMCW is expected to produce energy sufficient to meet 9% of BED's annual energy needs.
- Deliveries pursuant to a ten-year contract with Hancock began in December 2016. Under the contract, BED will receive 13.5 MW (26.5%) of Hancock's wind farm. It is expected to produce energy sufficient to meet approximately 11% of BED's annual energy needs.
- Prior to 2017, BED has received energy from long-term purchases from a number of small in-state resources under a state mandated feed-in tariff program (called Standard Offer Resources). Effective January 1, 2017, BED was exempted from purchasing energy from these high-priced resources (in recognition of its 100% renewable energy purchases). BED expects this exemption to continue through at least 2023.

- The Burlington City Council, the Vermont Public Service Board, and the voters of Burlington have approved a 23-year energy-only contract with Hydro-Quebec. The contract was executed and deliveries began (for BED) in November 2015. Under the contract, BED will receive 5 MW of contract energy for the period November 1, 2015 to October 31, 2020 and a second (additional) 4 MW of contract energy for the period November 1, 2020 to October 31, 2038. BED's entitlement is expected to provide approximately 6%-15% of BED's annual energy requirements depending on whether one, or both, contract entitlements are flowing in a particular year.
- In 2013, BED entered a long-term power agreement to purchase the output of a proposed 2.5 MW solar generating facility to be located in Burlington (South Forty Solar). This facility came online in January of 2018 and provides the Department with VT Class 2 RECs as well as energy and reduced capacity and transmission requirements.
- In 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 sources from one or more hydro facilities in the State of Vermont.

Energy and Capacity Payments under these long-term power supply contracts were $13,884,484 for the year ended June 30, 2022. Budgeted commitments under these long-term contracts and long-term contracts approved and executed for future delivery periods total approximately $69,144,498 for the 5-year period from July 1, 2022 to June 30, 2027.

Fiscal Year	Budgeted Commitment
2023	$ 15,399,469
2024	16,048,962
2025	15,396,546
2026	12,465,867
2027	9,833,654
Total	$ 69,144,498

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:

	2022
McNeil Generating Station and Gas Turbine	34.0%
Winooski One	8.0%
New York Power Authority	5.0%
Wind Production	25.0%
Hydro-Quebec	15.0%
Great River Hydro	12.0%
In-City Solar	1.0%
Total	100.0%

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 2022, 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, 2022 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:

Type	Allocation Method
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, 2022, the City has recorded an estimated liability of $879,450 and $11,744 in the General Fund, which represents the short-term payable for health and dental claims, respectively, as of June 30, 2022. A long-term reserve liability of $298,632 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, 2022, 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 Burlington Electric Enterprise Fund implemented a change in accounting policy for the costs associated with Vermont RES compliance from an annual expense to an inventory basis resulting in beginning net position restatement of $484,553.

27. Subsequent Events

Management has evaluated subsequent events through February 28, 2023, which is the date the Annual Comprehensive Financial Report was available to be issued.

On August 25, 2022, the City issued $19,180,000 General Obligation Bond Public Improvement Bonds, Series 2022A maturing November 1, 2042 with an interest rate of 5%. On August 25, 2022, the City issued $30,120,000 in General Obligation Downtown Tax Increment Bonds, Series 2022 maturing November 1, 2035 with an interest rate of 5.0%.

On September 15, 2022, the City issued $3,000,000 Series 2022 General Obligation Bond Anticipation Note for the Electric Department, maturing September 15, 2023 with an interest rate of 2.79%

28. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (P3a and APAs), and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs), effective for the City beginning with its fiscal year ending June 30, 2023. These statements establish new reporting and disclosure requirements for P3s, APAs, and SBITAs. Management is currently evaluating the impact of implementing these statements.

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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, 2022

	Budgeted Amounts		Adjusted	
	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget
Revenues and other sources:				
Taxes and special assessments	$ 38,085,434	$ 38,085,434	$ 39,987,171	$ 1,901,737
Local option sales tax	2,722,315	2,771,392	2,878,650	107,258
Payments in lieu of taxes	1,478,840	1,478,840	1,517,590	38,750
Licenses and permits	4,154,136	4,154,136	3,561,535	(592,601)
Intergovernmental	6,223,587	8,043,083	8,269,924	226,841
Charges for services	16,167,595	16,300,442	16,688,789	388,347
Investment income (loss)	414,118	414,118	(554,714)	(968,832)
Contributions and donations	760,200	776,569	851,455	74,886
Transfers in	4,756,905	6,048,705	5,436,615	(612,090)
Other	625,927	640,268	385,657	(254,611)
Bond premium	-	-	289,792	289,792
Use of fund balance	1,671,828	4,286,213	-	(4,286,213)
Total Revenues and Other Sources	77,060,885	82,999,200	79,312,464	(3,686,736)
Expenditures and other uses:				
Nondepartmental	3,848,959	3,874,069	3,249,882	624,187
City council	344,500	344,500	122,940	221,560
Regional services and programs	3,100,357	3,245,357	2,667,401	577,956
Mayor	477,435	477,435	437,093	40,342
Clerk treasurer	3,063,867	3,191,497	3,191,023	474
City attorney	1,201,997	1,201,997	1,184,106	17,891
Planning and zoning	888,275	888,275	465,485	422,790
City assessor	491,337	586,663	476,765	109,898
Human resources	1,071,841	1,071,841	932,111	139,730
REIB	1,700,445	1,831,474	1,882,860	(51,386)
Information technology	1,595,039	1,595,039	1,381,583	213,456
Fire	13,418,494	13,644,012	14,085,867	(441,855)
Police	16,190,400	16,436,157	15,231,784	1,204,373
Code enforcement	2,069,221	2,069,221	1,935,877	133,344
Public works	5,040,368	5,080,368	5,075,203	5,165
Library	2,362,495	2,475,520	2,427,207	48,313
Parks and recreation	8,260,422	8,372,206	7,751,851	620,355
Burlington city arts	2,689,407	2,710,407	2,657,685	52,722
Community and economic development	1,600,576	1,719,277	1,352,586	366,691
Debt service	6,182,301	7,420,182	7,332,880	87,302
Transfers	1,524,861	4,735,567	4,434,585	300,982
Total Expenditures and Other Uses	77,122,597	82,971,064	78,276,774	4,694,290
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	$ (61,712)	$ 28,136	$ 1,035,690	$ 1,007,554

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)

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, 2022	June 30, 2021	100.00%	$61,843,988	$51,634,214	119.77%	80.10%
June 30, 2021	June 30, 2020	100.00%	$98,583,037	$50,603,498	194.81%	66.37%
June 30, 2020	June 30, 2019	100.00%	$83,437,732	$49,218,437	169.53%	70.00%
June 30, 2019	June 30, 2018	100.00%	$75,685,982	$49,012,028	154.42%	71.41%
June 30, 2018	June 30, 2017	100.00%	$87,310,528	$54,282,231	160.85%	66.77%
June 30, 2017	June 30, 2016	100.00%	$89,153,906	$48,107,717	185.32%	63.75%
June 30, 2016	June 30, 2015	100.00%	$68,164,434	$44,765,172	152.27%	70.35%
June 30, 2015	June 30, 2014	100.00%	$53,829,773	$45,788,172	117.56%	75.31%

Vermont State Teachers' Retirement System (VSTRS)

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	State of Vermont's Total Proportionate Share of the Net Pension Liability Associated with BSD	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2022	June 30, 2021	4.71%	-	$79,841,269	$37,335,924	-	58.83%
June 30, 2021	June 30, 2020	4.61%	-	$89,906,447	$32,780,844	-	50.00%
June 30, 2020	June 30, 2019	4.59%	-	$71,563,284	$31,498,868	-	54.96%
June 30, 2019	June 30, 2018	4.49%	-	$67,882,065	$30,377,299	-	51.84%
June 30, 2018	June 30, 2017	4.55%	-	$67,400,147	$30,079,258	-	53.98%
June 30, 2017	June 30, 2016	4.66%	-	$60,991,444	$30,171,373	-	55.31%
June 30, 2016	June 30, 2015	4.80%	-	$56,961,562	$26,774,383	-	58.22%
June 30, 2015	June 30, 2014	4.94%	-	$47,328,006	$27,991,613	-	64.02%
June 30, 2014	June 30, 2013	4.87%	-	$49,254,692	$29,978,065	-	60.59%

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

See notes to financial statements for summary of significant 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)

Fiscal Year	Actuarially Determined Employer Contribution	Contributions in Relation to the Actuarially Determined Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2022	$ 10,821,716	$ 10,821,716	$ -	$ 53,183,240	20.35%
June 30, 2021	$ 10,236,862	$ 10,236,862	$ -	$ 51,634,214	19.83%
June 30, 2020	$ 9,715,893	$ 9,715,893	$ -	$ 50,603,498	19.20%
June 30, 2019	$ 9,516,913	$ 9,516,913	$ -	$ 49,218,437	19.34%
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)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	$ 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	22,138,395	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	-	3,851,405	-	-	(138,534)	-	(414,295)	(3,167,853)	-
Differences between expected and actual experience	427,899	3,263,952	1,826,152	-	(1,453,843)	(4,272,574)	6,852,487	4,312,195	-
Changes of assumptions	3,731,943	2,243,904	2,153,694	-	(7,508,856)	10,370,856	-	-	-
Benefit payments, including refunds of member contributions	(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	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	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)	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	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	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)	(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	(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	(935,694)	(762,205)	(411,925)	(338,039)	(385,309)	(361,811)	(320,908)	(306,795)	(253,796)
Other	(50,100)	(50,100)	(50,100)	(50,100)	(20,278)	-	-	-	5,927
Net change in plan fiduciary net position	(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	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)	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)	$ 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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money weighted rate of return, net of investment expense	-13.20%	31.10%	5.25%	5.20%	9.80%	10.25%	-1.30%	-0.15%	13.62%

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
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

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	$ 446,755	$ 422,580	$ 239,652	$ 213,616	$ 216,056
Interest	160,062	155,461	191,430	200,377	179,050
Differences between expected and actual experience	(1,243,743)	(324,780)	(463,076)	(227,919)	163,021
Changes of assumptions	(912,019)	45,326	1,524,927	207,752	(162,358)
Benefit payments, including refunds of member contributions	50,602	55,496	(243,673)	(45,401)	(385,708)
Net change in total OPEB liability	(1,498,343)	354,083	1,249,260	348,425	10,061
Total OPEB liability - beginning	6,938,319	6,584,236	5,334,976	4,986,551	4,976,490
Total OPEB liability - ending	$ 5,439,976	$ 6,938,319	$ 6,584,236	$ 5,334,976	$ 4,986,551
Covered employee payroll	$ 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	13.13%	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

	2022	2021	2020	2019
Total OPEB liability				
Service cost	$ 627,827	$ 564,340	$ 352,070	$ 315,649
Interest on unfunded liability - time value of money	156,245	165,143	217,893	213,029
Changes of benefit terms			-	-
Differences between expected and actual experience	(245,161)	125,483	(77,737)	112,870
Changes of assumptions	(549,939)	178,792	(547,751)	164,085
Benefit payments	(200,786)	(141,645)	(170,085)	(108,152)
Net change in total OPEB liability	(211,814)	892,113	(225,610)	697,481
Total OPEB liability - beginning	6,606,515	5,714,402	5,940,012	5,242,531
Total OPEB liability - ending	$ 6,394,701	$ 6,606,515	$ 5,714,402	$ 5,940,012
Covered employee payroll	$ 37,376,385	$ 37,609,262	$ 38,782,212	$ 33,983,834
Total OPEB liability as a percentage of covered employee payroll	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, 2022

	Special Revenue Funds				
	Traffic	Parking Facilities	Community and Economic Development	Church Street Marketplace	ARPA
ASSETS					
Cash and short-term investments	$ 345,249	$ -	$ 1,611,920	$ -	$ 11,630,378
Investments	-	-	-	-	-
Receivables, net of allowance:					
Departmental and other	1,169	-	-	75,136	-
Intergovernmental	-	-	465,590	-	-
Loans	-	-	4,109,720	-	-
Accrued interest	-	-	1,288,636	-	-
Prepaid expenditures	-	545	-	-	-
Inventory	351,395	-	-	-	-
Total Assets	$ 697,813	$ 545	$ 7,475,866	$ 75,136	$ 11,630,378
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 68,004	$ 111,355	$ 112,852	$ 4,817	$ 172,020
Accrued liabilities	5,820	16,501	23,962	3,160	10,112
Unearned revenue	-	-	14,781	89,971	11,447,848
Due to other funds	-	2,239,706	-	46,881	-
Other liabilities	-	-	-	-	-
Total Liabilities	73,824	2,367,562	151,595	144,829	11,629,980
Deferred Inflows of Resources:					
Unavailable revenues	1,485	24,384	5,591,554	-	-
Fund Balances:					
Nonspendable	351,395	545	-	-	-
Restricted	-	-	1,732,717	-	398
Committed	271,109	-	-	-	-
Unassigned	-	(2,391,946)	-	(69,693)	-
Total Fund Balances	622,504	(2,391,401)	1,732,717	(69,693)	398
Total Liabilities. Deferred Inflows of Resources and Fund Balances	$ 697,813	$ 545	$ 7,475,866	$ 75,136	$ 11,630,378

(continued)

CITY OF BURLINGTON, VERMONT

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2022

(continued)

	Special Revenue Funds			
	Impact Fees	Community Development Corporation	Telecom Sales Proceeds	Subtotals
ASSETS				
Cash and short-term investments	$ 1,118,879	$ -	$ 893,629	$ 15,600,055
Investments	-	-	-	-
Receivables, net of allowance:				
Departmental and other	-	-	-	76,305
Intergovernmental	-	-	-	465,590
Loans	-	701,650	-	4,811,370
Accrued interest	-	-	-	1,288,636
Prepaid expenditures	-	-	-	545
Inventory	-	-	-	351,395
Total Assets	$ 1,118,879	$ 701,650	$ 893,629	$ 22,593,896
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ 469,048
Accrued liabilities	-	-	-	59,555
Unearned revenue	-	-	-	11,552,600
Due to other funds	-	1,537,296	-	3,823,883
Other liabilities	4,077	-	-	4,077
Total Liabilities	4,077	1,537,296	-	15,909,163
Deferred Inflows of Resources:				
Unavailable revenues	-	701,650	-	6,319,073
Fund Balances:				
Nonspendable	-	-	-	351,940
Restricted	1,114,802	-	-	2,847,917
Committed	-	-	893,629	1,164,738
Unassigned	-	(1,537,296)	-	(3,998,935)
Total Fund Balances	1,114,802	(1,537,296)	893,629	365,660
Total Liabilities. Deferred Inflows of Resources and Fund Balances	$ 1,118,879	$ 701,650	$ 893,629	$ 22,593,896

(continued)

CITY OF BURLINGTON, VERMONT

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2022

(continued)

	Permanent Funds			Debt Service Funds			
	Cemetery	Gift Fund	Subtotals	TIF Waterfront	TIF Downtown	Subtotals	Nonmajor Governmental Funds
ASSETS							
Cash and short-term investments	$ 287,349	$ 38,480	$ 325,829	$ 2,412,262	$ 4,294,939	$ 6,707,201	$ 22,633,085
Investments	951,588	-	951,588	-	-	-	951,588
Receivables, net of allowance:							
Departmental and other	-	-	-	-	-	-	76,305
Intergovernmental	-	-	-	-	-	-	465,590
Loans	-	-	-	-	-	-	4,811,370
Accrued interest	-	-	-	-	-	-	1,288,636
Prepaid expenditures	-	-	-	-	-	-	545
Inventory	-	-	-	-	-	-	351,395
Total Assets	$ 1,238,937	$ 38,480	$ 1,277,417	$ 2,412,262	$ 4,294,939	$ 6,707,201	$ 30,578,514
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts payable	$ -	$ -	$ -	$ 3,538	$ 5,863	$ 9,401	$ 478,449
Accrued liabilities	-	-	-	-	-	-	59,555
Unearned revenue	-	-	-	-	-	-	11,552,600
Due to other funds	-	-	-	-	-	-	3,823,883
Other liabilities	-	-	-	-	-	-	4,077
Total Liabilities	-	-	-	3,538	5,863	9,401	15,918,564
Deferred Inflows of Resources:							
Unavailable revenues	-	-	-	-	-	-	6,319,073
Fund Balances:							
Nonspendable	1,200,000	3,486	1,203,486	-	-	-	1,555,426
Restricted	38,937	34,994	73,931	2,408,724	4,289,076	6,697,800	9,619,648
Committed	-	-	-	-	-	-	1,164,738
Unassigned	-	-	-	-	-	-	(3,998,935)
Total Fund Balances	1,238,937	38,480	1,277,417	2,408,724	4,289,076	6,697,800	8,340,877
Total Liabilities. Deferred Inflows of Resources and Fund Balances	$ 1,238,937	$ 38,480	$ 1,277,417	$ 2,412,262	$ 4,294,939	$ 6,707,201	$ 30,578,514

See Independent Auditor’s Report.

CITY OF BURLINGTON, VERMONT

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2022

	Special Revenue Funds				
	Traffic	Parking Facilities	Community and Economic Development	Church Street Marketplace	ARPA
Revenues:					
Taxes	$ -	$ 152,541	$ 216,459	$ -	$ -
Licenses and permits	-	-	-	123,775	-
Intergovernmental	-	1,000,000	3,877,247	-	3,055,163
Charges for services	1,908,829	1,905,642	25,290	680,869	-
Contributions	-	-	1,935	42,500	-
Investment income (loss)	2,216	-	637	16	-
Loan repayments	-	-	171,851	-	-
Other	2,016	2,572	20,636	-	-
Total Revenues	1,913,061	3,060,755	4,314,055	847,160	3,055,163
Expenditures:					
Current:					
General government	-	-	-	-	2,842,920
Public works	1,954,650	1,875,367	-	-	-
Community development	-	-	4,451,642	740,208	-
Capital outlay	37,831	78,103	-	-	211,845
Debt service:					
Principal	-	75,215	-	-	-
Interest and bond issue costs	435	10,746	-	1,553	-
Total Expenditures	1,992,916	2,039,431	4,451,642	741,761	3,054,765
Excess (deficiency) of revenues over (under) expenditures	(79,855)	1,021,324	(137,587)	105,399	398
Other Financing Sources (Uses):					
Transfers in	-	-	754,709	21,000	-
Transfers out	-	(64,400)	(2,045,522)	-	-
Total Other Financing Sources (Uses)	-	(64,400)	(1,290,813)	21,000	-
Net change in fund balances	(79,855)	956,924	(1,428,400)	126,399	398
Fund Balances, beginning of year	702,359	(3,348,325)	3,161,117	(196,092)	-
Fund Balances, end of year	$ 622,504	$ (2,391,401)	$ 1,732,717	$ (69,693)	$ 398

(continued)

CITY OF BURLINGTON, VERMONT

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2022

(continued)

	Special Revenue Funds			
	Impact Fees	Community Development Corporation	Telecom Sale Proceeds	Subtotals
Revenues:				
Taxes	$ -	$ -	$ -	$ 369,000
Licenses and permits	-	-	-	123,775
Intergovernmental	-	-	-	7,932,410
Charges for services	13,993	364,000	-	4,898,623
Contributions	-	-	-	44,435
Investment income (loss)	3,414	-	-	6,283
Loan repayments	-	-	-	171,851
Other	-	129,518	-	154,742
Total Revenues	17,407	493,518	-	13,701,119
Expenditures:				
Current:				
General government	-	-	-	2,842,920
Public works	-	-	-	3,830,017
Community development	-	64,220	-	5,256,070
Capital outlay	-	-	-	327,779
Debt service:				
Principal	-	182,299	-	257,514
Interest and bond issue costs	-	37,047	-	49,781
Total Expenditures	-	283,566	-	12,564,081
Excess (deficiency) of revenues over (under) expenditures	17,407	209,952	-	1,137,038
Other Financing Sources (Uses):				
Transfers in	-	-	-	775,709
Transfers out	(421,815)	-	-	(2,531,737)
Total Other Financing Sources (Uses)	(421,815)	-	-	(1,756,028)
Net change in fund balances	(404,408)	209,952	-	(618,990)
Fund Balances, beginning of year	1,519,210	(1,747,248)	893,629	984,650
Fund Balances, end of year	$ 1,114,802	$ (1,537,296)	$ 893,629	$ 365,660

(continued)

CITY OF BURLINGTON, VERMONT

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2022

(continued)

	Permanent Funds			Debt Service Funds			
	Cemetery	Gift Fund	Subtotals	TIF Waterfront	TIF Downtown	Subtotals	Nonmajor Governmental Funds
Revenues:							
Taxes	$ -	$ -	$ -	$ 2,191,205	$ 2,078,963	$ 4,270,168	$ 4,639,168
Licenses and permits	-	-	-	-	-	-	123,775
Intergovernmental	-	-	-	-	-	-	7,932,410
Charges for services	-	-	-	-	-	-	4,898,623
Contributions	-	-	-	-	260,000	260,000	304,435
Investment income (loss)	(59,074)	28	(59,046)	-	-	-	(52,763)
Loan repayments	-	-	-	-	-	-	171,851
Other	2,950	-	2,950	-	-	-	157,692
Total Revenues	(56,124)	28	(56,096)	2,191,205	2,338,963	4,530,168	18,175,191
Expenditures:							
Current:							
General government	-	-	-	64,707	62,275	126,982	2,969,902
Public works	-	-	-	-	-	-	3,830,017
Community development	-	-	-	-	-	-	5,256,070
Capital outlay	-	-	-	-	-	-	327,779
Debt service:						-	
Principal	-	-	-	1,786,636	210,000	1,996,636	2,254,150
Interest and bond issue costs	-	-	-	339,948	210,650	550,598	600,379
Total Expenditures	-	-	-	2,191,291	482,925	2,674,216	15,238,297
Excess (deficiency) of revenues over (under) expenditures	(56,124)	28	(56,096)	(86)	1,856,038	1,855,952	2,936,894
Other Financing Sources (Uses):							
Transfers in	-	-	-	-	-	-	775,709
Transfers out	(23,811)	-	(23,811)	(51,079)	(91,807)	(142,886)	(2,698,434)
Total Other Financing Sources (Uses)	(23,811)	-	(23,811)	(51,079)	(91,807)	(142,886)	(1,922,725)
Net change in fund balances	(79,935)	28	(79,907)	(51,165)	1,764,231	1,713,066	1,014,169
Fund Balances, beginning of year	1,318,872	38,452	1,357,324	2,459,889	2,524,845	4,984,734	7,326,708
Fund Balances, end of year	$ 1,238,937	$ 38,480	$ 1,277,417	$ 2,408,724	$ 4,289,076	$ 6,697,800	$ 8,340,877

See Independent Auditor's 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, 2022

	Water	Stormwater	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Current:			
Cash and cash equivalents	$ 5,891,397	$ 2,500,643	$ 8,392,040
Escrows	64,722	-	64,722
Receivables, net of allowance for uncollectibles:			
User fees	1,558,510	332,050	1,890,560
Intergovernmental	88,986	235,859	324,845
Inventory	377,984	-	377,984
Prepaid expenses	3,892	122	4,014
Total current assets	7,985,491	3,068,674	11,054,165
Noncurrent:			
Restricted cash	906,473	-	906,473
Capital assets:			
Land and construction in progress	1,122,345	1,308,505	2,430,850
Capital assets, net of accumulated depreciation	15,979,210	2,180,150	18,159,360
Total noncurrent assets	18,008,028	3,488,655	21,496,683
TOTAL ASSETS	25,993,519	6,557,329	32,550,848
Deferred Outflows of Resources:			
Pension related	330,307	-	330,307
OPEB related	82,055	-	82,055
TOTAL DEFERRED OUTFLOWS OF RESOURCES	412,362	-	412,362
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 26,405,881	$ 6,557,329	$ 32,963,210

(continued)

CITY OF BURLINGTON, VERMONT

Nonmajor Proprietary Funds

Combining Statement of Net Position

June 30, 2022

(continued)

		Water		Stormwater		Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION						
Liabilities:						
Current:						
Accounts payable	$	542,134	$	294,149	$	836,283
Accrued liabilities		24,725		9,008		33,733
Note payable		211,905		1,302,601		1,514,506
Other liabilities		39,719		-		39,719
Current portion of long-term liabilities:						
Bonds and loans payable		323,966		22,669		346,635
Equipment notes payable		119,003		-		119,003
Compensated absences liability		234,184		-		234,184
Total current liabilities		1,495,636		1,628,427		3,124,063
Noncurrent:						
Bonds and loans payable		6,927,232		253,188		7,180,420
Equipment notes payable		359,527		-		359,527
Net pension liability		861,933		-		861,933
Total OPEB liability		132,284		-		132,284
Total noncurrent liabilities		8,280,976		253,188		8,534,164
TOTAL LIABILITIES		9,776,612		1,881,615		11,658,227
Deferred Inflows of Resources:						
Pension related		424,721		-		424,721
OPEB related		58,632		-		58,632
TOTAL DEFERRED INFLOWS OF RESOURCES		483,353		-		483,353
NET POSITION						
Net investment in capital assets		9,224,644		2,977,440		12,202,084
Restricted for:						
Debt service/renewal and replacements		906,473		-		906,473
Unrestricted		6,014,799		1,698,274		7,713,073
TOTAL NET POSITION		16,145,916		4,675,714		20,821,630
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$	26,405,881	$	6,557,329	$	32,963,210

CITY OF BURLINGTON, VERMONT

Nonmajor Proprietary Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended June 30, 2022

	Water	Stormwater	Total
Operating Revenues:			
Charges for services	$ 6,860,370	$ 1,736,917	$ 8,597,287
Miscellaneous	956,659	-	956,659
Total Operating Revenues	7,817,029	1,736,917	9,553,946
Operating Expenses:			
Personnel	3,410,567	162,767	3,573,334
Nonpersonnel	2,635,999	1,016,264	3,652,263
Depreciation	885,157	103,199	988,356
Total Operating Expenses	6,931,723	1,282,230	8,213,953
Operating Income	885,306	454,687	1,339,993
Nonoperating Revenues (Expenses):			
Intergovernmental revenue	788,190	550,973	1,339,163
Investment income (loss)	(8,603)	18	(8,585)
Interest expense	(330,209)	(10,497)	(340,706)
Other income	47,986	83	48,069
Loss on disposal of capital assets	(181)	-	(181)
Total Nonoperating Revenues (Expenses), net	497,183	540,577	1,037,760
Income Before Transfers	1,382,489	995,264	2,377,753
Transfers in	-	50,702	50,702
Transfers out	(358,759)	(24,586)	(383,345)
Change in Net Position	1,023,730	1,021,380	2,045,110
Net Position at Beginning of Year	15,122,186	3,654,334	18,776,520
Net Position at End of Year	$ 16,145,916	$ 4,675,714	$ 20,821,630

See Independent Auditor's Report.

CITY OF BURLINGTON, VERMONT

Nonmajor Proprietary Funds

Combining Statement of Cash Flows

For the Year Ended June 30, 2022

	Water	Stormwater	Total
Cash Flows From Operating Activities:			
Receipts from customers and users	$ 7,732,002	$ 1,737,823	$ 9,469,825
Payments to suppliers	(2,475,533)	(920,525)	(3,396,058)
Payments for wages and benefits	(3,351,050)	(162,767)	(3,513,817)
Other receipts	1,731	-	1,731
Net Cash Provided by Operating Activities	1,907,150	654,531	2,561,681
Cash Flows From Noncapital Financing Activities:			
Payment in lieu of taxes	(481,934)	(24,586)	(506,520)
Transfers in	123,175	50,702	173,877
Net Cash Proved by (Used for) Noncapital Financing Activities	(358,759)	26,116	(332,643)
Cash Flows From Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(1,049,905)	(894,655)	(1,944,560)
Intergovernmental revenues	788,190	550,973	1,339,163
Drawdown on notes and loans	82,698	-	82,698
Repayment of notes and loans	-	(41,845)	(41,845)
Principal paid on:			
Bonds and loans	(267,663)	(22,310)	(289,973)
Notes	(116,979)	-	(116,979)
Interest paid on outstanding debt, including issue costs	(330,207)	(10,497)	(340,704)
Net Cash Provided Used for Capital and Related Financing Activities	(893,866)	(418,334)	(1,312,200)
Cash Flows From Investing Activities:			
Purchase of investments	(8,603)	-	(8,603)
Net Increase in Cash	645,922	262,313	908,235
Cash and short term investments at beginning of year	6,151,948	2,238,330	8,390,278
Cash and short term investments at end of year	$ 6,797,870	$ 2,500,643	$ 9,298,513

(continued)

CITY OF BURLINGTON, VERMONT

Nonmajor Proprietary Funds

Combining Statement of Cash Flows

For the Year Ended June 30, 2022

(continued)

	Water	Stormwater	Total
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Operating income	$ 885,306	$ 454,687	$ 1,339,993
Depreciation and amortization	885,157	103,199	988,356
Other receipts	1,731	-	1,731
Changes in assets, liabilities, and deferred outflows/inflows:			
(Increase)/decrease in receivables	(94,488)	1,046	(93,442)
(Increase)/decrease in inventory	(72,142)	-	(72,142)
(Increase)/decrease in prepaids	(2,752)	(122)	(2,874)
(Increase)/decrease in deferred outflows	229,762	-	229,762
Increase/(decrease) in accounts payable	235,361	95,861	331,222
Increase/(decrease) in accrued liabilities	(52,226)	(140)	(52,366)
Increase/(decrease) in net pension liability	(517,626)	-	(517,626)
Increase/(decrease) in total OPEB liability	(3,386)	-	(3,386)
Increase/(decrease) in compensated absences	27,239	-	27,239
Increase/(decrease) in other operating assets/liabilities	9,461	-	9,461
Increase/(decrease) in deferred inflows	375,753	-	375,753
Net Cash Provided by Operating Activities	$ 1,907,150	$ 654,531	$ 2,561,681

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.

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

	2022	2021	2020	2019	2018	2017	2016	2015 [1]	2014	2013
Governmental Activities										
Net Investment in Capital Assets	$ 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	$ 101,991,786
Restricted	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	13,949,243
Unrestricted	(30,173,312)	(39,224,471)	(20,057,332)	(17,670,970)	(21,948,854)	(22,193,434)	(21,734,316)	(25,449,498)	(5,306,520)	7,927,203
Total Governmental Activities Net Position	101,490,778	88,311,155	92,892,565	95,506,618	85,386,785	89,334,951	88,227,484	74,337,327	114,367,905	123,868,232
Business-type Activities										
Net Investment in Capital Assets	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	149,806,307
Restricted	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	31,999,045
Unrestricted	41,002,710	28,656,273	25,842,140	25,272,176	27,453,407	29,639,505	27,982,661	22,266,988	28,692,499	12,449,872
Total Business-type Activities Net Position	310,864,985	280,316,733	263,048,447	257,351,191	256,590,818	240,774,458	227,891,805	214,216,232	217,514,215	194,255,224
Primary Government										
Net Investment in Capital Assets	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	251,798,093
Restricted	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	45,948,288
Unrestricted	10,829,398	(10,568,198)	5,784,808	7,601,206	5,504,553	7,446,071	6,248,345	(3,182,510)	23,385,979	20,377,075
Total Primary Government Net Position	$ 412,355,763	$ 368,627,888	$ 355,941,012	$ 352,857,809	$ 341,977,603	$ 330,109,409	$ 316,119,289	$ 288,553,559	$ 331,882,120	$ 318,123,456

[1] Net position restated due to School District adjustments.

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

	2022	2021	2020	2019	2018	2017	2016	2015 [1]	2014	2013
Expenses										
Governmental Activities:										
General Government	$ 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	$ 14,800,538
Public Safety	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	24,499,396
Education	-	-	-	-	-	-	-	-	77,470,770	77,438,762
Public Works	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	13,051,255
Culture and Recreation	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	8,584,443
Community Development	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	8,470,457
Interest and related costs	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	2,330,680
Total Governmental Activities	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	149,175,531
Business-type Activities:										
Electric	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	58,972,894
Airport	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	20,192,615
Telecom	-	-	-	-	-	-	-	-	6,791,829	6,118,395
Wastewater	6,893,650	6,403,096	-	-	-	-	-	-	7,289,587	6,648,603
Water	7,261,932	6,507,175	-	-	-	-	-	-	-	-
Stormwater	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	8,048,347
Total Business-Type Activities	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	99,980,854
Total Expenses	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	249,156,385
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	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	4,372,982
Public Safety	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	5,174,000
Education	-	-	-	-	-	-	-	-	1,036,876	4,575,124
Public Works	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	7,265,536
Culture and Recreation	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	3,722,853
Community Development	1,250,517	995,855	491,935	313,478	393,178	315,042	221,533	714,715	250,361	214,897
Operating Grants and Contributions	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	76,620,402
Capital Grants and Contributions	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	5,193,962
Total Governmental Activities	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	107,139,756
Business-type Activities:										
Charges for Services										
Electric	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	59,965,267
Airport	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	17,915,076
Telecom	-	-	-	-	-	-	-	-	7,246,329	6,959,342
Wastewater	8,458,113	7,997,538	-	-	-	-	-	-	7,726,659	7,751,070
Water	7,817,029	7,460,606	-	-	-	-	-	-	-	-
Stormwater	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	8,756,986
Operating Grants and Contributions	160,600	7,829,276	2,422,651	325,454	172,648	218,384	205,387	-	-	-
Capital Grants and Contributions	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	7,976,875
Total Business-type Activities	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	109,324,616
Total Program Revenues	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	216,464,372
Net (Expense)/Revenue										
Governmental Activities	(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)	(42,035,775)
Business-type Activities	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	9,343,762
Total Net Expense	$ (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)	$ (32,692,013)

(continued)

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Revenues										
Governmental Activities:										
Property Taxes	$ 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	$ 28,272,251
Gross Receipts Taxes	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	2,902,808
Local Option Sales Tax	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	2,126,646
Payments in Lieu of Taxes	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	3,534,236
Franchise Fees	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	2,157,022
Impact Fees	13,993	122,294	604,445	507,907	456,837	346,411	138,723	349,714	82,262	272,852
Interest and Penalties on Delinquent Taxes	497,304	611,103	431,415	498,980	400,071	303,370	339,034	356,550	368,602	278,419
Unrestricted Investment Earnings	(607,119)	391,205	911,468	723,079	334,817	249,012	193,991	100,725	634,071	52,148
Other Revenues	631,995	1,337,814	924,174	1,934,224	1,138,937	1,698,196	642,968	1,175,521	1,048,832	296,973
Additions to permanent funds	-	-	2,072	16,822	153	3,846	3,968	67,115	25,715	20,005
Special items	-	-	-	-	-	(2,154,349)	-	-	(16,936,492)	-
Transfers	3,770,452	4,500,179	22,175	7,930,536	-	-	-	28,921	(97,572)	(97,500)
Total Governmental Activities	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	39,815,860
Business-type Activities:										
Nonoperating grants	5,179,514	125,331	989,780	1,095,955	-	-	-	-	-	-
Unrestricted investment earnings (loss)	(133,927)	118,861	444,119	536,989	233,657	158,415	184,630	127,214	291,397	269,758
Dividends from associated companies	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	2,619,286
Other revenues	492,649	1,053,709	168,958	1,444,855	109,565	513,337	273,598	429,794	(368,970)	370,226
Special items	-	-	(795,851)	(606,888)	-	-	-	-	16,936,492	-
Transfers	(3,770,452)	(4,500,179)	(22,175)	(7,930,536)	-	-	-	(28,921)	97,572	97,500
Total Business-type Activities	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	3,356,770
Total Primary Government	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	43,172,630
Change in Net Position										
Governmental Activities	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)	(2,219,915)
Business-type Activities	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	12,700,532
Total Change in Net Position	$ 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	$ 10,480,617

[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)

	2022	2021	2020	2019	2018	2017	2016	2015[1]	2014	2013
All Governmental Funds										
Nonspendable	$ 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	$ 21,441,396
Restricted	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	7,604,997
Committed	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	3,558,828
Assigned	8,914,744	7,268,980	11,000,463	10,182,818	6,564,153	3,619,252	-	-	-	208,962
Unassigned	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)	(9,011,184)
Total All Other Governmental Funds	$ 39,073,886	$ 39,767,612	$ 60,892,900	$ 59,201,431	$ 52,505,990	$ 35,103,434	$ 24,148,458	$ 19,531,563	$ 14,217,622	$ 23,802,999
General Fund										
Nonspendable	$ 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	$ 20,334,968
Restricted	2,342,852	2,097,488	4,929,072	207,221	568,007	560,372	38,500	17,265	17,265	17,261
Committed	861,380	892,949	576,734	467,314	577,407	1,209,754	2,779,209	1,624,950	2,058,049	1,041,535
Assigned	8,914,744	7,268,980	11,000,463	10,182,818	6,564,153	3,619,252	-	-	-	208,962
Unassigned	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	(2,178,623)
Total General Fund	$ 22,127,642	$ 21,091,952	$ 26,243,608	$ 22,063,007	$ 18,537,824	$ 15,623,745	$ 12,000,078	$ 8,251,497	$ 4,992,623	$ 19,424,103
All Other Governmental Funds										
Nonspendable	$ 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	$ 1,106,428
Restricted	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	7,587,736
Committed	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	2,517,293
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(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)	(6,832,561)
Total All Other Governmental Funds	$ 16,946,244	$ 18,675,660	$ 34,649,292	$ 37,138,424	$ 33,968,166	$ 19,479,689	$ 12,148,380	$ 11,280,066	$ 9,224,999	$ 4,378,896

[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)

	2022	2021	2020	2019	2018	2017	2016	2015[1]	2014	2013
Revenues										
Taxes	$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	$ 33,509,448
Payments in lieu of taxes	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	3,534,236
Licenses and permits	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	4,070,213
Intergovernmental	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	78,334,827
Charges for services	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	23,437,932
Contributions	1,364,390	1,605,268	684,238	884,119	815,074	1,373,500	538,878	-	-	-
Investment income (loss)	(607,119)	391,204	911,468	723,081	340,281	249,013	193,993	100,725	634,070	52,148
Loan repayments	171,851	86,038	89,536	884,262	87,177	57,357	104,033	122,544	245,074	46,741
Other revenue	631,992	929,764	926,249	1,623,512	883,075	585,799	601,849	1,230,412	1,160,440	415,290
Total Revenues	99,876,031	79,179,637	81,067,421	87,317,276	82,407,630	80,815,327	80,766,786	76,986,576	152,477,930	143,400,835
Expenditures										
Current:										
General government	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	13,704,648
Public safety	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	23,507,829
Education	-	-	-	-	-	-	-	-	76,037,906	81,284,025
Public works	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	6,533,226
Culture and Recreation	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	7,348,962
Community development	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	8,463,496
Capital Outlay[2]	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	9,121,280
Debt Service:										
Principal	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	4,729,974
Interest and bond issue costs	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	1,873,163
Total Expenditures	109,210,701	108,272,590	99,338,231	95,549,528	93,449,077	84,268,111	82,079,044	75,412,058	150,019,208	156,566,603
Excess (Deficiency) of Revenues over (under) Expenditures	(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	(13,165,768)
Other Financing Sources (Uses)										
Issuance of bonds and loans	1,750,000	-	9,225,000	6,113,659	24,739,547	10,966,360	5,062,083	5,934,807	3,989,967	14,250,000
Issuance of refunding debt	-	-	20,639,850	-	-	2,545,000	8,785,000	-	-	-
Bond premium	289,792	-	2,214,241	404,347	2,689,456	1,067,582	1,138,975	-	-	419,080
Payment to refunding escrow	-	-	(12,138,987)	-	-	(2,837,850)	(10,044,139)	-	-	-
Sale of capital assets	-	-	-	-	-	949,986	-	-	1,000,000	-
Issuance of leases	-	3,467,485	-	479,151	1,015,000	1,699,383	987,234	683,718	-	261,242
Issuance of equipment notes	2,830,700	-	-	-	-	-	-	-	-	-
Transfers in	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	1,854,249
Transfers out	(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)	(1,951,749)
Total Other Financing Sources (Uses)	8,640,944	7,967,665	19,962,279	14,927,693	28,444,003	14,390,461	5,929,153	6,647,446	4,892,395	14,832,822
Special Items	-	-	-	-	-	-	-	-	(16,936,492)	-
Net Change in Fund Balances	$ (693,726)	$(21,125,288)	$ 1,691,469	$ 6,695,441	$ 17,402,556	$ 10,937,677	$ 4,616,895	$ 8,221,964	$ (9,585,375)	$ 1,667,054
Debt Service as a Percentage of Noncapital Expenditures[3]	11.08%	17.02%	12.90%	13.11%	10.00%	9.00%	8.70%	7.40%	5.44%	4.58%

Source: Each respective Comprehensive Annual Financial Report

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

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

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

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

Fiscal Year	Assessed Value	Estimated Actual Value	Total Direct Tax Rate
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
2013	3,587,077,000	4,056,808,890	0.7153

Source: Most recent Official Statement

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

		After Act 68			
		State-wide Education Taxes		Total Taxes	
Fiscal Year	City of Burlington	Residential	Nonresidential	Residential	Nonresidential
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
2013	0.7153	1.4302	1.5684	2.1455	2.2837

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

	2022			2013		
Rank	Taxpayer	Taxable Assessed Value	Percentage of Total Assessed Value	Taxpayer	Taxable Assessed Value	Percentage of Total Assessed value
1	Bayberry, LLC	$30,953,400	0.54%	Rad Burl LLC	$25,933,400	0.73%
2	New Northgate Housing LLC	27,508,500	0.48%	Vermont Electric Power	25,376,450	0.71%
3	Fortieth Burlington LLC	26,000,000	0.45%	Burlington Town Center LLC	20,837,900	0.59%
4	Burlington Electric Dept./ CVPS	23,136,200	0.40%	Burlington Harbor Hotel Group LLC	16,833,400	0.47%
5	Lakeside Overs LLC	22,167,300	0.38%	Burlington Electric Dept./ CVPS	14,902,723	0.42%
6	Antonio B Pomerleau LLC	21,243,900	0.37%	Antonio B Pomerleau LLC	14,649,300	0.41%
7	Diamond Rock Burlington Owner	20,971,300	0.36%	Fortieth Burlington LLC	14,100,000	0.40%
8	Vermont Gas Systems Inc.	17,833,800	0.31%	May Department Stores Co.	11,123,400	0.31%
9	Vermont Electric Power	14,871,000	0.26%	New Northgate Housing LLC	11,089,000	0.31%
10	Howard Opera House Associate LLc	14,651,400	0.25%	South Meadow Housing Assoc.	9,923,300	0.28%
11	375 North Avenue LLC	13,848,200	0.24%	Howard Opera House Assoc LLC	9,001,300	0.25%
12	98 Starr Farm Road LLC	13,351,800	0.23%	MP Vermont LLC	7,882,300	0.22%
13	South Meadow Housing Assoc.	13,221,100	0.23%	UVM / Catamount Redstone Apts LLC	7,830,000	0.22%
14	Burlington Housing Authority	12,169,200	0.21%	Lake and College LLC	7,754,500	0.22%
15	Ride Your Bike, LLC	11,775,600	0.20%	Investors Corporation of VT	7,721,200	0.22%
16	Burlington Harbor Hotel Group LLC	11,430,900	0.20%	Vermont Gas Systems Inc.	7,709,000	0.22%
17	BTC Mall Associates, LLC	10,970,200	0.19%	Investors Corporation of VT	7,649,000	0.22%
18	41 Cherry Street, LLC	10,572,500	0.18%	Courthouse Plaza LLC	7,060,000	0.20%
19	Catamount / Van Ness, LLC	10,500,000	0.18%	UVM / Centennial Court LP	6,679,600	0.19%
20	Hauke Building Supply Inc.	9,704,200	0.17%	Nick & Morrissey Development LLC	6,576,000	0.19%
		$ 336,880,500	**5.83%**		**$ 240,631,773**	**6.75%**

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
2022	$ 124,905,368	$ 124,488,150	99.67%	$ -	$ 124,488,150	99.67%
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%
2013	78,862,874	78,330,310	99.32%	507,150	78,837,460	99.97%
2012	76,089,194	75,617,383	99.38%	435,574	76,052,957	99.95%

Source: Most recent Official Statement for fiscal years 2010 - 2019 and Form 411 Billed Grand List and activity in the City's general ledger for fiscal year 2022.

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

	Governmental Activities		Business-type Activities						
Fiscal Year	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	Total Debt Outstanding	Estimated Population [1]	Debt per Capita	Percentage of Personal Income [2]
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%
2021	80,030,613	4,580,268	117,812,996	3,777,316	-	206,201,193	44,743	4,609	16.18%
2020	91,370,787	1,790,582	123,531,506	4,508,623	-	221,201,498	42,819	5,166	19.06%
2019	77,932,346	2,465,159	128,394,863	4,650,126	-	213,442,494	42,899	4,975	19.72%
2018	60,657,254	2,738,077	129,068,211	10,890,570	-	203,354,112	42,239	4,814	19.08%
2017	52,906,348	2,301,048	127,683,406	7,319,392	-	190,210,194	44,020	4,321	17.12%
2016	45,636,800	1,206,228	132,072,254	6,553,118	-	185,468,400	42,452	4,369	17.31%
2015	46,423,144	1,086,318	131,660,511	6,834,297	-	186,004,270	42,452	4,382	17.40%
2014	63,903,739	1,370,191	131,440,972	1,152,142	-	197,867,044	42,613	4,643	18.43%
2013	63,358,572	1,946,424	139,548,085	1,714,567	-	206,567,648	42,738	4,833	19.19%

(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
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%
2013	204,621,224	141,262,652	63,358,572	42,738	1,482	3,587,077,000	1.77%

* Does not include equipment notes and leases

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

(1) United States Census Bureau

CITY OF BURLINGTON, VERMONT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2022

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	$ 76,206,371	100.0%	$ 76,206,371
City of Burlington - Equipment Notes Payable	5,963,839	100.0%	5,963,839
Subtotal - Direct Debt			82,170,210
Overlapping:			
Burlington School District		100.0%	41,170,000
Subtotal - Overlapping Debt			41,170,000
Grand Total Direct and Overlapping Debt			$ 123,340,210

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
JUNE 30, 2022

Grand List Valuation	$ 5,333,527,100
Legal Debt Margin:	
Debt Limitation - Ten Percent of Last Grand List	533,352,710
Debt Applicable to Limitation	80,030,613
Legal Debt Margin	$ 453,322,097
Debt as Percentage of Debt Limit	15.01%

LEGAL DEBT MARGIN
PRECEDING NINE YEARS

Fiscal Year	Debt Limit	Applicable Debt	Legal Debt Margin	Debt as Percentage of Debt Limit
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%
2013	361,787,013	63,358,572	298,428,441	17.51%

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
2022	$ 20,100	$ 14,621	$ 5,479	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
2013	15,890	11,731	4,159	1,938	6,097	485	6,582	4,268	1.43	1.54

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

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

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: Burlington City [3]	Unemployment Rate: State-wide [3]	Enrollment Grades 9-12 [2]	High School Graduation Rate [2]
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%
2013	42,738	25,188	1,076,484,744	44,545	54,168	3.80%	5.00%	1,048	83%

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

	Calendar Year 2022			Calendar Year 2013		
Employer	Employees [1, 2]	Rank	Percentage of Total City Employment [3]	Employees [2]	Rank	Percentage of Total City Employment [3]
University of Vermont Medical Center	5,591	1	16.86%			
University of Vermont	3,991	2	12.04%	3,343	3	10.07%
Global Foundries	2,500	3	7.54%			
Howard Center	1,500	4	4.52%	809	5	2.44%
City of Burlington and Burlington School District	1,394	5	4.20%			
Walmart	1,273	6	3.84%			
Dealer.com	1,100	7	3.32%	546	9	1.64%
People's United Bank	876	8	2.64%	1,000	4	3.01%
Adecco	775	9	2.34%	775	6	2.33%
Ben & Jerry's Homemade, Inc.	735	10	2.22%	735	7	2.21%
IBM				5,000	1	15.06%
Fletcher Allen Health Care				4,951	2	14.91%
GE Healthcare				700	8	2.11%
FairPoint Communications				545	10	1.64%
	19,735		59.53%	18,404		55.44%

Sources:

[1] Chittenden County
[2] Vermont Business Magazine, Vermont Business Directory
[3] Vermont Department of Labor

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

	Full-time Equivalent Employees									
Function/Program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
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	24.85	20.15	18.78	18.80	20.00	20.00	26.51	21.00	19.00	20.00
Payroll	3.25	3.25	3.85	3.85	4.00	4.00	4.00	4.00	3.00	3.00
Central Computer	7.00	7.00	7.00	6.00	6.00	6.00	4.00	6.00	3.00	3.00
City Attorney's Office	9.50	8.50	8.60	9.00	8.50	8.00	8.00	8.00	7.00	7.00
Human Resources	8.00	6.00	8.00	7.00	7.00	6.00	6.00	5.50	5.50	5.50
Racial Equity Inclusion & Belonging	11.00	12.00	-	-	-	-	-	-	-	-
City Assessor	5.00	5.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Planning and Zoning	6.00	6.00	7.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
GF-CEDO	13.77	5.97	6.97	6.03	5.34	4.68	1.70	-	-	-
Public Safety:										
Fire	92.80	93.80	83.80	85.80	84.80	81.80	80.80	79.80	79.80	79.80
Police	121.70	121.70	146.70	147.70	144.70	141.20	139.20	136.20	137.20	137.20
DPW Inspection	-	-	-	4.00	5.00	5.00	5.00	4.00	4.00	4.00
Permitting and Inspections	20.00	20.00	21.00	12.00	12.00	12.00	12.00	12.00	11.00	11.00
Public Works:										
Highways	51.35	52.35	44.35	41.35	42.55	43.45	43.45	42.90	42.90	43.60
Public Works Administration	5.00	5.00	6.00	6.00	5.00	4.00	4.00	4.00	6.00	6.00
Culture and Recreation	103.00	100.00	87.88	90.00	90.50	88.00	85.00	81.80	78.80	75.48
General Fund Total	**486.22**	**470.72**	**457.93**	**452.53**	**450.39**	**439.13**	**434.66**	**420.20**	**412.20**	**410.58**
Burlington Electric	117.60	117.60	118.00	118.00	129.00	129.00	131.90	125.00	128.00	125.00
Burlington Telecom	-	-	-	-	30.00	24.00	26.00	25.00	21.00	24.50
Burlington International Airport	49.00	54.00	51.80	51.40	51.00	39.50	39.00	42.00	41.00	-
Water**	33.00	32.25	30.25	24.50	24.50	-	-	-	-	-
Stormwater**	1.00	1.65	1.65	2.90	2.50	-	-	-	-	-
Wastewater**	18.00	16.25	15.25	16.25	15.65	-	-	-	-	-
Total Employees	**704.82**	**692.47**	**674.88**	**665.58**	**703.04**	**631.63**	**631.56**	**612.20**	**602.20**	**560.08**

*Data is not available at the time of publication.
** Separation FTE with carve out of fund

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

	Fiscal Year									
Function/Program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government:										
Full-time equivalent positions filled	486.22	470.72	457.93	452.53	450.39	439.13	434.66	420.20	412.20	410.58
Tax bills mailed	10,686	10,629	10,700	10,682	10,686	10,670	10,714	10,737	10,685	10,633
Active recreation programs	266	254	311	286	290	283	285	-	-	-
Recreation participants	5,014	5,075	4,979	5,381	2,148	4,863	4,762	-	-	-
Birth certificates recorded	2,310	2,144	2,135	2,328	2,145	2,283	2,177	2,252	2,257	2,207
Marriage licenses recorded	387	265	320	377	360	375	229	401	599	366
Death certificates recorded	1,141	983	934	943	992	947	489	1,045	965	1,036
Dog licenses issued	915	855	828	946	1,082	1,153	1,175	1,256	1,191	1,234
Public Safety:										
Total cases	22,723	21,310	26,953	28,848	29,684	30,517	28,608	28,243	31,182	31,353
Number of traffic tickets	301	259	423	467	632	803	1,990	1,938	1,793	1,895
Number of traffic warnings	293	738	1,461	1,703	2,095	2,289	3,507	4,822	4,432	4,524
Fire incident responses	9,261	7,539	8,137	8,229	7,895	7,598	7,305	7,338	7,326	7,241
Water System:										
Average daily consumption (gallons)	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	3,953,940
Wastewater System:										
Average daily treatment (gallons)	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	5,677,000
Sludge disposed (tons)	9,535	9,086	9,093	9,928	9,467	8,651	8,633	8,583	8,402	8,287
Burlington International Airport										
Enplanements	545,853	186,799	519,874	693,208	623,489	597,799	595,244	600,402	617,301	605,505
Burlington Electric Department										
Sales to Customers - KwH (MM)	320	317	315	331	330	336.2	338.2	336.2	342.8	341.4

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

	Fiscal Year									
Function/Program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government:										
Number of general government buildings	3	3	3	3	3	3	3	3	3	3
Public Safety:										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of police vehicles	44	44	44	45	45	45	45	45	44	44
Number of fire stations	5	5	5	5	5	5	5	5	5	5
Number of fire vehicles	22	22	23	20	20	20	28	27	26	26
Public Works:										
Number of public works buildings	2	2	2	2	2	2	2	2	2	2
Miles of streets	95	95	95	95	95	95	95	95	95	95
Miles of sidewalks	130	130	130	130	130	130	130	127	127	127
Culture and Recreation:										
Number of culture and recreation facilities	4	4	4	6	6	6	6	5	5	5
Acres of parks	520	520	520	540	540	540	540	540	540	540
Water:										
Number of water treatment facilities	3	3	3	3	3	3	3	3	3	3
Miles of water mains	110	110	110	110	110	110	110	110	110	110
Wastewater:										
Number of wastewater facilities	3	3	3	3	3	3	3	3	3	3
Miles of sanitary sewers	89	89	89	89	89	89	89	89	89	89
Burlington International Airport:										
Number of facilities	23	23	23	23	23	23	23	23	23	23
Burlington Electric Department:										
Number of facilities	10	10	10	10	10	10	12	12	12	12

February 28, 2023

To the Board of Finance
City of Burlington, Vermont

We have audited the financial statements of the City of Burlington, Vermont (the City) as of and for the year ended June 30, 2022 and have issued our report thereon dated February 28, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our recommendations regarding other matters noted during our audit in a separate letter to you dated February 28, 2023.

Merrimack, New Hampshire
Andover, Massachusetts
Greenfield, Massachusetts
Ellsworth, Maine
800.282.2440 | melansoncpas.com

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team and others in our Firm have complied with all relevant ethical requirements regarding independence. Safeguards that have been applied to eliminate threats to independence or reduce them to an acceptable level include annual certification by all Firm staff of independence, or when circumstances change during the year. In addition, an Engagement Control Review is performed.

Significant Risks Identified

Audit standards define a significant risk as an identified and assessed risk of material misstatement that, in the auditor's judgment, requires special audit consideration. Areas of significant management judgment and significant unusual transactions may often be identified as significant risks. Significant risks are, therefore, often areas that require significant auditor attention.

Communicating significant risks identified by the auditor helps those charged with governance understand those matters and why they require special audit consideration. The communication about significant risks may assist those charged with governance in fulfilling their responsibility to oversee the financial reporting process.

In every organization, we have identified that the potential for management override of internal controls exists due to the unpredictable nature in which management override of controls could occur. In essentially every organization, we have also identified the potential for revenue recognition risk (not recognizing revenue in proper fiscal period) due to the complexity of standards requiring accrual basis of accounting for government-wide vs. modified accrual basis for governmental fund financial statements. Additionally, we repeated the management letter recommendation to improve general ledger monitoring and to adhere to a formal closing schedule. This is a significant risk because a deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in the notes to the financial statements. The City adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, during the year ended June 30, 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements relate to:

- Fair value of investments
- Collectability of receivables
- Unbilled receivables
- Estimated lives and depreciation methods for depreciable assets
- Incurred but not reported liability (IBNR)
- Net pension liability and related deferred outflows and inflows, and allocation
- Total OPEB liability and related deferred outflows and inflows, and allocation

Management's estimates of the above are based on various criteria. We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures
Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. We noted no particularly sensitive disclosures affecting the City's financial statements.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures.

Identified or Suspected Fraud

We have not identified or obtained information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were communicated to you upon identification.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affected the form and content of our auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in their letter dated February 28, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the City's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information (if applicable) and considered whether such information, or the manner of its presentation, was materially inconsistent with the presentation in the financial statements.

Melanson

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the governing body and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Melanson

Merrimack, New Hampshire
February 28, 2023

CITY OF BURLINGTON, VERMONT

Management Letter
For the Year Ended June 30, 2022

Table of Contents

MELANSON

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

In planning and performing our audit of the basic financial statements of the City of Burlington, Vermont as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that have not been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonable possible or probable as defined as follows:

- *Reasonably possible*. The chance of the future event or events occurring is more than remote but less than likely.
- *Probable*. The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our audit, we became aware of other matters that we believe represent opportunities for strengthening internal controls and operating efficiency. The recommendations that accompany this letter summarize our comments and suggestions concerning those matters.

The City's written responses to our comments and suggestions have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This communication is intended solely for the information and use of management, Mayor, and City Council, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Melanson

Merrimack, New Hampshire
February 28, 2023

1. **Improve General Ledger Monitoring and Adhere to a Formal Closing Schedule (Prior Year Comment)**

Our audit disclosed that the City continues to make a significant number of material journal entries five to six months after year-end. Some of the journal entries were identified by Clerk Treasurer's (CT) Office Staff, while other were identified by analytical procedures performed by Melanson. Specifically, the General Fund trial balance on December 1, 2022 reported an excess of expenditure over revenues of approximately $7 million. Review of budget and actual comparison schedules disclosed that ARPA grant amount of $5 million should have been recognized in the General Fund per budget approved by City Council, but was erroneously reported in a special revenue fund. Multiple other entries over $1 million each were posted in December 2022 to both General Fund and special revenue funds. Significant auditor and CT identified adjustments were also made in the various capital project funds in December 2022, refer to related comment number two. Another General Fund entry impacted the results of the pension fund, refer to related comment number three. Accurate and timely statements provide key data to support fiscal monitoring, and monthly review of all funds' balance sheets and budget vs actual schedules is necessary to ensure accurate reporting.

We continue to recommend that the City perform year end closing more timely. Step one in accomplishing this goal involves designating an individual to monitor and analytically review the general ledger on a monthly basis. Performing analytical procedures include reviewing all funds and balances to identify anomalies (which could be material misstatements) including unexpected deficits in fund balances and unexpected budget vs actual results. Management should monitor the process of reviewing monthly reports to ensure anomalies are identified timely. Step two is to establish a timeline to cure any misstatements within an appropriate timeframe. Implementation of this recommendation should result in earlier identification of the need for additional entries, improved internal reporting, and will streamline the year-end closing process.

We further recommend that the individual designated to monitor the general ledger on a regular basis and perform analytical review of all funds and balances should have limited other office responsibilities until corrective action is accomplished.

City's Response:
The Clerk Treasurer's office (CTO) agrees that a significant number of material journal entries were made after year-end.

It should be noted the approved $5 million in ARPA funds was only to be posted by the CTO if needed, and the amount was posted based on actual performance to budget. A review of budget vs. actual demonstrated the need to post the full $5M budgeted, and the journal entry required was posted incorrectly. It was mutually agreed the error was made, and we agree that additional staff training is required to ensure this does not happen again.

We acknowledge multiple entries were posted to the capital project funds in December. It was determined that the funding source of these funds could be filled by the use of previous premiums not utilized, and the promise of future donations. The CTO provided insight to the challenges that could impact the results of the pension fund early in the audit. This was due to a Settlement Agreement with IBEW that has not yet been finalized by legal counsel. The collective review demonstrated the need to adjust our books, and was a unique situation. We appreciate Melanson's guidance on the accounting treatment in this circumstance.

The CTO would like to note a substantial amount of staff turnover that took place in fiscal year 2022 due to retirements, and a major reorganization resulting in the shift of many accounting tasks to existing staff members. This does not excuse late journal entries or mistakes but this staff turnover does explain the particularly chaotic nature of this year's closing. We worked closely with consultant CliftonLarsonAllen (CLA) to add or replace much needed staff to CTO including a Senior Accountant, Cash & Banking Accountant, and Operations Director. We greatly appreciate the Board of Finance and City Council's support and approval of these important changes. As our new team learns their new roles, it will improve the timeliness of audit deadlines, and identifying anomalies. Despite these challenges, the CTO completed the final audit 60 days earlier than fiscal year 2021 and is poised to do so earlier and more correctly in fiscal year 2023.

We appreciate Melanson's recommendations to ensure a more timely closing and the Chief Administrative Officer will work with the team to identify one person, as requested, to absorb the new responsibility to review the general ledger on a monthly basis with support of the Comptroller, and the accounting team. This person will have limited other responsibilities and will focus on monitoring the general ledger on a regular basis and performing analytical review of all funds and balances and sharing them with management on a monthly basis. This person will also be responsible for ensuring that any mistakes are also cured within an appropriate timeframe.

2. Improve Community Economic Development Officer (CEDO) Capital Project Accounting

During our audit process, we noted that a capital funding source, grant revenue amount of over $2 million, was posted to the CEDO special revenue fund instead of Moran Plant capital project fund in error.

Complete and accurate capital project fund accounting is essential throughout the year as accurate and timely statements provide key data to support fiscal monitoring, and without it, monitoring is difficult. Monitoring capital project funds for deficits and ensuring that all transactions were properly posted should be part of the monthly analytical review.

City's Response:

The City believes that while significant progress has been made with regards to our capital project fund accounting, acknowledges that there is still room for improvement and our next focus will be on the streamlining of CEDO accounting to ensure timely and accurate reporting. We will begin working with CLA this month, and over the next few months rebuild the organizational sets to ease the tracking of actual vs. budget results for capital project funds, and operating expenditures. The new organizational sets will be set up and ready for Fiscal Year 2024 budgets. We plan to centralize our federal and state grants to help with the management of our capital projects, help reduce our deficits, and allow for more timely financial data. We have taken the steps to improve the Schedule of Expenditures of Federal Awards reporting by requiring all grants regardless of size to be approved by BOF, and have designated the Grants Director as the manager of this process.

This additional level of accountability will help improve this revenue source to be applied to capital, and improve timelines.

3. Review City Ordinance Language in Comparison to Collective Bargaining Agreements (CBAs) in Relation to Pension

We are aware of inconsistent language in Collective Bargaining Agreements (CBAs) and the City Ordinance with respect to pension benefit calculations that has resulted in retroactive adjustments to pension benefits.

We recommend that the Legal Department ensure the language in CBAs reference applicable section of the City Ordinance or otherwise provide assurance the language in CBAs matches the City Ordinance. Implementation of this recommendation will help ensure that pension benefits are made in accordance with City Ordinance.

City's Response:
The CTO agrees with this recommendation, and to help with this initiative is requesting support from pension administrator Hooker & Holcombe (H&H) to help identify the inconsistent language in the CBAs, and the City Ordinance. H&H will provide a list of inconsistencies to help aid the Legal Department's review.

City of Burlington Vermont

OFFICE OF THE CLERK/TREASURER
City of Burlington

City Hall, Room 20, 149 Church Street, Burlington, VT 05401Voice (802) 865-7000
Fax (802) 865-7014
Deaf/Hard of Hearing 711

To:	Board of Finance City Council
From:	Katherine Schad, CAO Tim Clancy, HR
Date:	March 13, 2023
Subject:	Creation of Budget Manager Position, and reclassification of one (1) Clerk/Treasurer Position

Executive Summary
We propose the creation of one (1) new position and the reclassification of one (1) position in the Clerk/Treasurer's office as summarized below:

- Creation of the Budget Manager position, a Regular, Full-Time, Non-Exempt, Non-Union, Grade 22, role in the Clerk/Treasurer's Office.

- Reclassification of the Accounting Assistant, a Regular, Full-time, Non-exempt, AFSCME, Grade 12, position to Customer Service Associate, a regular, Full-time, Non-exempt, AFSCME, Grade 14, position in the Clerk/Treasurer's Office.

Background for Budget Manager role:
This position is responsible for developing and overseeing financial budgets on an annual & monthly basis, with a specific focus on the General Fund. The Budget Manager will work in conjunction with Department Heads to develop multi-year revenue and expenditure projections, and monitor current revenues and expenditures in comparison to the adopted budget. Further the position will report statuses and outstanding issues to senior management and follow-up with staff assigned to reconciliations and assist with settlement issues as needed. The position also provides training to city employees on budget preparation and management.

For the past four years the City of Burlington's annual audit has noted that the CT Office has made material journal entries months after the end of the fiscal year. In this year's letter the auditors recommended that the CT Office designate an individual to monitor and review the general ledger on a monthly basis, and perform analytical procedures including identifying unexpected deficits in fund balances, and budget vs actual variances. Upon further discussion with our auditors, it is clear that new capacity is needed for this position in order to ensure that the City can meet the expectations.

Background for Customer Service role:
Due to the high volumes of customer service needs in the Clerk/Treasurer's (C/T) office as well as the demand for administrative support in back-office functions, we would like to reallocate the vacant role of Accounting Assistant. This reclassified role would be a more cross-functional position with both

responsibilities for customer support and offer back-office assistance as needed. Changing this position would provide our department with a flexible resource capable of supporting multiple functional teams, ensuring staff is supported and our constituents' needs are met promptly and without interruption.

Financial Impact

Position	Current Grade/Step	FY23 Current Salary	Proposed Grade/Step	FY23 Proposed Salary	Increase
Budget Manager	N/A	$0	22-1	$86,416	$86,416
Accounting Assistant > Customer Service Associate	12-1	$47,599	14-1	$52,943	$5,344

The costs associated with these positions can be absorbed within CT's FY23 budget. New funding will be required for these important positions in CT's FY24 budget.

Motions

Board of Finance Motion:

- To approve and recommend that City Council approve the creation of the Budget Manager position, a Regular, Full-Time, Non-Exempt, Non-Union, Grade 22, role in the Clerk/Treasurer's Office.

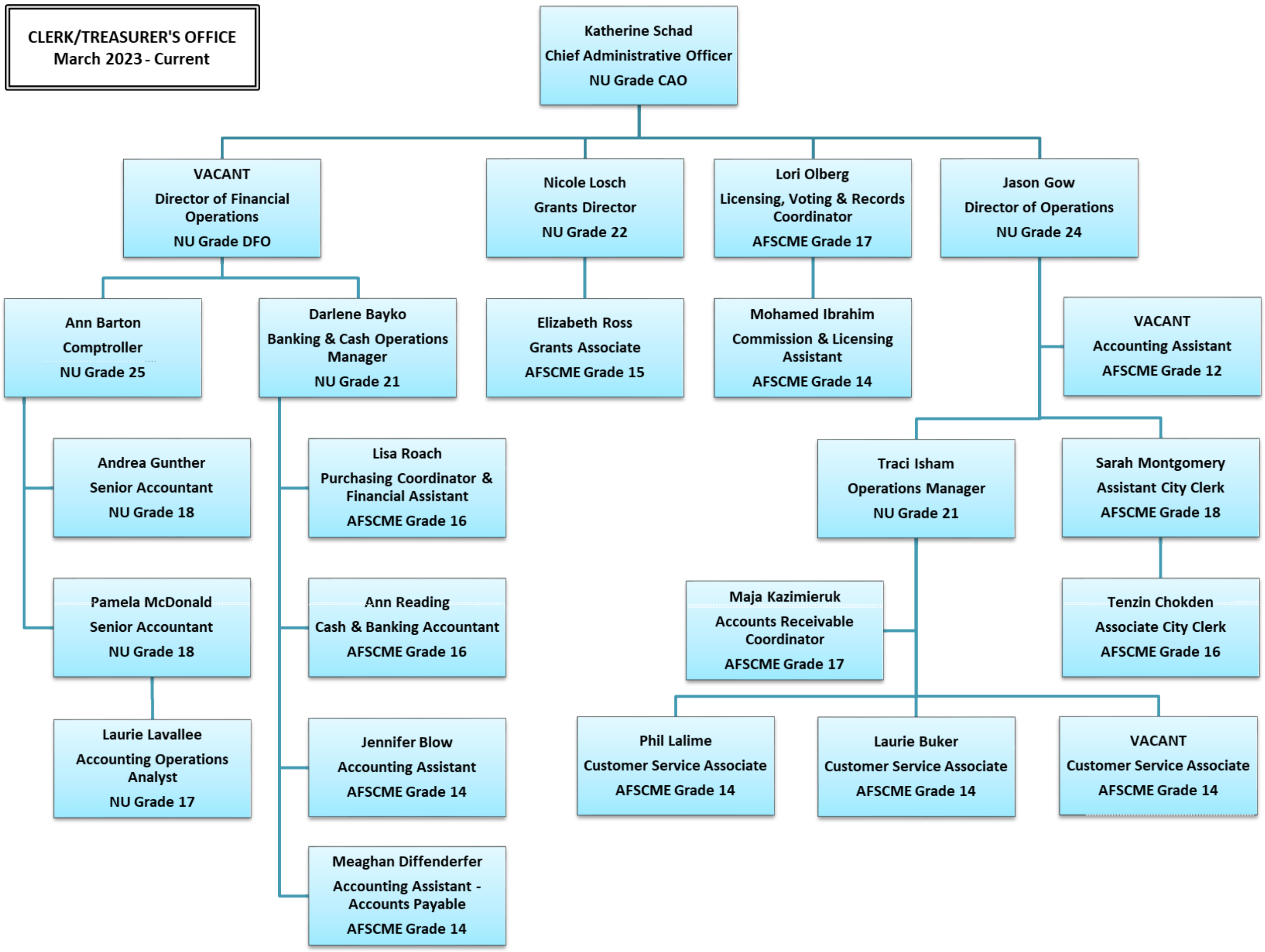
- To approve and recommend that City Council approve the reclassification of the Accounting Assistant, a Regular, Full-time, Non-exempt, AFSCME, Grade 12, position to Customer Service Associate, a regular, Full-time, Non-exempt, AFSCME, Grade 14, position in the Clerk/Treasurer's Office.

City Council Motion:

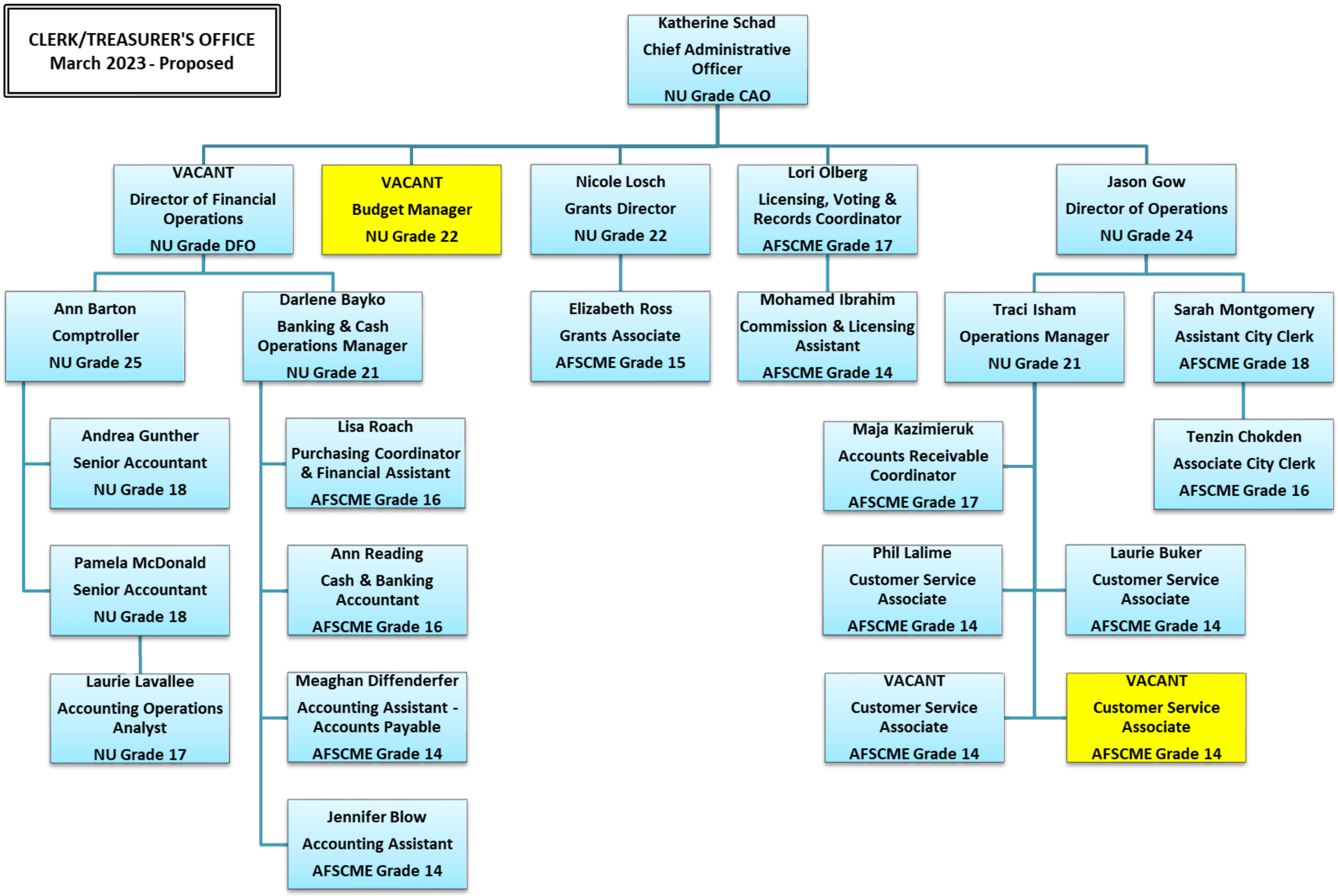
- To approve the creation of the Budget Manager position, a Regular, Full-Time, Non-Exempt, Non-Union, Grade 22, role in the Clerk/Treasurer's Office.

- To approve the reclassification of the Accounting Assistant, a Regular, Full-time, Non-exempt, AFSCME, Grade 12, position to Customer Service Associate, a regular, Full-time, Non-exempt, AFSCME, Grade 14, position in the Clerk/Treasurer's Office.

Current Organizational Chart



Proposed Organizational Chart



Board of Finance and City Council Submission Checklist

Department: Clerk Treasurer Submitter: Katherine Schad/Tim Clancy

Title/Subject: Creation of Budget Manager Position Reclassification of Accounting Assistant to Customer Service Associate

	Approval:	Meeting Date:
☐	Board of Finance	Click or tap to enter a date.
☐	City Council	Click or tap to enter a date.
☒	Concurrent	3/13/2023

This form must be completed by the person submitting the materials, and sent with the final submission. Please do not indicate that a signoff was received until it has actually been obtained.

Signoffs Received

Signoff Needed	Received	Date Received	Note
Department Head	Yes	3/6/2023	Click or tap here to enter text.
Mayor's Office informed and approved memo	Yes	3/8/2023	Click or tap here to enter text.
Board/Commission, if required	N/A	Click or tap to enter a date.	Click or tap here to enter text.
City Attorney's Office has approved contract and/or legal documents, -Identify attorney in note	N/A	Click or tap to enter a date.	Click or tap here to enter text.
City Attorney's Office has approved memo and motion(s) or resolution(s) -Identify attorney in note	Yes	3/8/2023	Click or tap here to enter text.
CAO has reviewed budget, financing, and memo	Yes	3/8/2023	Click or tap here to enter text.
Human Resources, if personnel action -Identify HR Manager in note	Yes	3/6/2023	Click or tap here to enter text.
CIO, if an IT-related investment/purchase	N/A	Click or tap to enter a date.	Click or tap here to enter text.

Materials Included

	Included?	Note
Final Memo Attached?	Yes	Click or tap here to enter text.
Contract Attached, if applicable?	No	Click or tap here to enter text.
Additional Materials, if necessary	Yes	Click or tap here to enter text.
Draft Resolution or Motion?	Yes	Click or tap here to enter text.
If for submission to Council, are sponsors identified?	Choose an item.	Click or tap here to enter text.

City of Burlington
Job Description

Position Title: Budget Manager **Department:** Clerk/Treasurer

Reports to: Chief Administrative Officer (CAO)

Pay Grade: 22 **Job Code:** 110

Exempt/Non-Exempt: Exempt **Union:** NU

General Purpose: To develop and oversee financial budgets on an annual & monthly basis, with a focus on, but not limited to, the General Fund. The Budget Manager will also work in conjunction with Department Heads to develop multi-year revenue and expenditure projections; and monitor current revenues and expenditures for variance against the adopted budget. The position also provides training to city employees on budget preparation and management.

Essential Job Functions: (This section outlines the fundamental job functions that must be performed in this position. The "Qualifications/Basic Job Requirements" and the "Physical and Mental/Reasoning Requirements and Work Environment" state the underlying requirements that an employee must meet in order to perform these essential functions. In accordance with the Americans with Disabilities Act, reasonable accommodations may be made to qualified individuals with disabilities to perform the essential functions of the position.)

- Oversee preparation of City-wide operating budgets, including developing and presenting procedures, requirements, instructions, and schedules for budget input, review, and modifications.
- Responsible for developing major facets of general fund budget in conjunction with Department Heads.
- In coordination with the CAO, establish and oversee standards and procedures to guide the administration of Citywide organizational budgeting.
- Develop and update monthly financial reports for budgetary control. Make projections concerning revenues and expenditures for the remainder of the fiscal year and make recommendations to adjust budgets and expenditure authorizations to maintain structural balance between revenues and expenditures.
- Review requests for budget amendments to ensure budget control.
- As directed, conduct budget and financial requirement analyses on major budget planning issues and alternatives, including but not limited to, union negotiations.
- Work with the Capital Programs Director to integrate CIP budgets, expenditures, bond authorizations, and multi-year capital planning into the budget. Provide oversight and integration of the capital budget into the City's overall budget planning and preparations.
- Direct and support the development and implementation of financial and statistical measures to evaluate the existing and future financial environment of the City.

- Present and explain complex budgetary and financial analyses and make sound recommendations to department heads and CAO.
- Make presentations and write articles to inform the public and various civic groups concerning the City's budget and financial condition as well as city initiatives and programs at the direction of city management. Maintain budget-related information on the city's website.
- Coordinate citizen input into the budget through the use of public forums, e-mail, and online input.
- Oversight of City’s Chart of Accounts, including recommending new Organization Sets and General Ledger Accounts
- Provide oversight & tracking of the City’s monthly, quarterly, and yearly reconciliations to ensure they are current and complete. Report statuses & outstanding issues to senior management. Follow up with staff assigned to reconciliations & assist with settlement issues as needed.
- Assist union negotiating team by running analyses on proposed budget impacts to aggregate compensation costs.

Non-Essential Job Functions:

- Performs other duties as required.

Qualifications/Basic Job Requirements:

- A Bachelor's degree in accounting, business management, finance, or similar.
- At least 5 years of experience as a budget analyst, financial analyst, business accountant, or similar.
- Thorough knowledge of legal frameworks and business accounting procedures.
- comfort navigating & compiling data from multiple software/sources, especially high-level of Excel knowledge (at a minimum, comfort with pivot tables and basic formulas).
- Excellent written communication and interpersonal skills.
- Strong analytical and problem-solving abilities.
- The ability to collaborate with multiple internal and external stakeholders.
- Great organizational skills and attention to detail.
- Ability to actively support City diversity, equity, and cultural competency efforts within stated job responsibilities and work effectively across diverse cultures and constituencies.
- Demonstrated commitment to diversity, equity and inclusion as evidenced by ongoing trainings and professional development.
- Regular attendance is necessary and is essential to meeting the expectations of the job functions.
- Ability to understand and comply with City standards, safety rules and personnel policies.

Physical & Mental/Reasoning Requirements; Work Environment:

These are the physical and mental/reasoning requirements of the position as it is typically performed. Inability to meet one or more of these physical or mental/reasoning requirements will not automatically disqualify a candidate or employee from the position.

_x_ seeing __ ability to move distances

__ lifting (specify) within and between __ pounds warehouses/offices

__ color perception

(red, green, amber)

__ carrying (specify)

_x_ hearing/listening

__ climbing

__ pounds

_x_ clear speech

__ ability to mount and __ driving (local/over dismount forklift/truck the road)

_x_ touching

_x_ dexterity

_ pushing/pulling

_x_ hand

_x_ finger

__ reading - basic

__ math skills - basic

_x_ analysis/comprehension

_x_ reading – complex

_x_ math skills - complex

_x_ judgment/decision making

__ writing - basic

_x_ clerical

_x_ writing - complex

__ shift work

__ outside

__ pressurized equipment

_x_ works alone

__ extreme heat

__ moving objects

_x_ works with others

__ extreme cold

__ high places

_x_ verbal contact w/others

__ noise

__ fumes/odors

_x_ face-to-face contact

__ mechanical equipment

__ hazardous materials

_x_ inside

__ electrical equipment

__ dirt/dust

Supervision:

Directly Supervises: __0__ Indirectly Supervises: ___0_

Disclaimer:
The above statements are intended to describe the general nature and level of work being performed by employees to this classification. They are not intended to be construed as an exhaustive list of all responsibilities, duties and/or skills required of all personnel so classified.

Approvals:

Department Head: ______________________________ Date: __________

Human Resources: ______________________________ Date: __________

Created February 2023.

City of Burlington
Job Description

Position Title: Customer Service Associate

Department: Clerk Treasurer Office

Reports to: Customer Service Supervisor

Pay Grade: 14 **Job Code:** 1000

Exempt/Non-Exempt: Non-Exempt **Union:** AFSCME

Remote Work Rating: Tier 1

General Purpose: Responsible for providing courteous, attentive and accurate responses to all customer inquiries/problems regarding various Clerk Treasurer and other City services through phone contact and office visits in a professional, timely, and friendly manner. Position is responsible for processing initial Clerk Treasurer business transactions including, but not limited to cash receipts, recording, notary services and collections.

Essential Job Functions: (This section outlines the fundamental job functions that must be performed in this position. The "Qualifications/Basic Job Requirements" and the "Physical and Mental/Reasoning Requirements and Work Environment" state the underlying requirements that an employee must meet in order to perform these essential functions. In accordance with the Americans with Disabilities Act, reasonable accommodations may be made to qualified individuals with disabilities to perform the essential functions of the position.)

- Prepare, process, index and file all paperwork and reports associated with the provision of services in the Clerk Treasurer Office, including but not limited to birth, death and marriage certificates; permits and licenses; UCC and lien records; collection, processing and deposit of various payments, etc.
- Respond to basic inquiries and complaints regarding Clerk Treasurer and other City services in a professional, timely, and friendly manner.
- Refer more complex questions, complaints, and concerns to Customer Service Supervisor, other appropriate person or City Department in a professional, timely, and friendly manner.
- Perform basic bookkeeping duties including, but not limited to verifying cash receipts, reconciling cash drawer to deposit, accurate data entry, and daily cash deposits.
- Perform office and clerical duties including, but not limited to filing; copying; word processing; scheduling conference rooms; answering and routing telephone calls; and metering and routing mail.
- Provide support for Tax Collection, Elections, Land Records and City Council matters, as assigned.

Non-Essential Job Functions:

- Performs other duties as required.

Qualifications/Basic Job Requirements:

- High School Diploma or equivalent and minimum of one (1) year of experience in an office environment that includes customer service and bookkeeping required.
- Satisfactory completion of skill tests in bookkeeping/mathematics, word processing and spreadsheet software, and 10 key calculators.
- Ability to work independently and as part of the customer service team in a fast-paced, complex, detail-oriented office environment that features many repetitive tasks and deadlines.
- Ability to be flexible and able to handle multiple tasks concurrently.
- Ability to provide all customers with prompt, and courteous service.
- Ability to operate standard and computerized office equipment.
- Ability to post data and make rapid, accurate mathematical computations.
- Ability to maintain a current Notary Public Appointment required.
- Municipal government experience preferred.
- Proficiency in Microsoft Office products and Paradox preferred.
- Ability to occasionally work overtime, nights and weekends.
- Ability to actively support City diversity, equity, and cultural competency efforts within stated job responsibilities and work effectively across diverse cultures and constituencies.
- Demonstrated commitment to diversity, equity and inclusion as evidenced by ongoing trainings and professional development.
- Regular attendance is necessary and is essential to meeting the expectations of the job functions.
- Ability to understand and comply with City standards, safety rules and personnel policies.

Physical, Mental/Reasoning Requirements and Work Environment:

These are the physical and mental/reasoning requirements of the position as it is typically performed. Inability to meet one or more of these physical or mental/reasoning requirements will not automatically disqualify a candidate or employee from the position. Upon request for a reasonable accommodation, the City may be able to adjust or excuse one or more of these requirements, depending on the requirement, the essential function to which it relates, and the proposed accommodation.

x	seeing	x	ability to move distances within warehouses and offices
	color perception (red, green, amber)	x	lifting (specify 20 pounds)
x	hearing/listening	x	carrying (specify 20 pounds)
x	clear speech	x	climbing
x	touching	x	driving
x	dexterity x hand x finger		ability to mount and dismount forklift
x	reading – basic	x	pushing/pulling

	reading – complex		shift work
x	math skills – basic		moving objects
	math skills – complex		pressurized equipment
x	writing – basic		extreme heat
	writing – complex		extreme cold
	analysis/comprehension		high places
x	judgment/decision making	x	noise
x	clerical		fumes/odors
x	inside		dirt/dust
	outside		hazardous materials
x	works alone		electrical equipment
x	works with others	x	mechanical equipment
x	face-to-face contact		
x	verbal contact w/others		

Supervision:
Directly Supervises: 0 Indirectly Supervises: 0

Disclaimer:
The above statements are intended to describe the general nature and level of work being performed by employees to this classification. These are not intended to be construed as an exhaustive list of all responsibilities, duties and/or skills required of all personnel so classified.

Approvals:

Direct Supervisor/Manager: ________________________________Date: ____________

Human Resources: _______________________________________ Date: ____________

This position description is provided to AFSCME for information only. The City has no obligation to negotiate with AFSCME regarding changes in position descriptions. The City's provision of revised position descriptions is in no way an admission of any obligation to negotiate or voluntary commitment to negotiate changes in position descriptions.

rev. Aug-27-99. Revised 5/19/2015. Revised February 2019. Revised January 2023 with Remote Work Rating.

POLICE DEPARTMENT
CITY OF BURLINGTON

TO: Board of Finance and City Council
FROM: Acting Chief of Police Jon Murad
DATE: March 9, 2023
RE: Request to accept funding from Department of Mental Health for Crisis Team

Request:
The Burlington Police Department is looking to enter into and accept a two-year grant award with the Vermont Department of Mental Health to create a Medically Enhanced Mobile Response Crisis Team (MERC). (This was modeled on the CAHOOTS team located in Eugene, Oregon). This Crisis Team will co-deploy an Emergency Medical Technician or Registered Nurse (affiliated with either the Burlington Fire Department or UVMMC) and a clinician to respond to crises requiring medical intervention. This is a two-year state grant with a 50/50 cost share with the city.

Background:

For several years Robyn Freedner-Maguire and Shay Totten, parent volunteers for Mental Health First for BTV, have worked tirelessly to bring this model to Burlington. In 2021 this began to gain traction as the Mayor's office and BPD, in consultation with City Council, discussed setting up a CAHOOTS-like response team. In 2022 the Burlington Police Department asked for responses to an RFP for services to stand up and respond to these identified crises. In April of 2022 the Howard Center was the lone respondent. Owing to a number of high-profile situations involving the BPD this initiative was put on hold. In the late fall of 2022 Jackie Corbally was hired as a part-time Crisis Implementer. Her mandate was to move this initiative to fruition. In November 2022, in conjunction with myself and Community Support Supervisor Lacey Smith, Ms. Corbally responded to a RFP from the Vermont Department of Mental Health for funding. On January 17, 2023, the city was notified that it was awarded the grant in the amount of $667,252.00 with expectations of a 50/50 cost share for the program.

To staff the team, Acting Fire Chief Derek Libby developed a job description for an additional EMT and is actively working with HR to post and hire for this position. It is anticipated that the monies the City accepts, if authorized by the Council, may be used to sub-contract an entity that will provide clinician(s) for the team. Ms. Corbally and CSS Smith have met with stakeholders at UVMMC and Howard Center to discuss potential partnerships.

Funding:
The City has already budgeted $400,000 for Year 1 of this Crisis Team expense in the FY23 budget. City funding will also need to be allocated in FY24 in order to meet the 50/50 provision. This memo seeks permission to accept the Vermont Department of Mental Health's grant, which is anticipated to result in cost sharing for the program:

Year 1:	
City	$367,669
DMH	$367,669
Project Cost:	$735,338
Year 2:	
City	$299,583
DMH	$299,583
Project Cost:	$599,166

Contract:
**at its completion will be added to the contract*

Board of Finance Motion
To approve and recommend that the City Council approve and authorize the Acting Chief of Police to execute all necessary documentation in acceptance of the Vermont Department of Mental Health grant awarded to the City in the total amount of $667,252.00 for a two year, 50/50 cost share for the implementation of the Medical Enhanced Mobil Response Team, upon final review and approval of the City Attorney's Office.

City Council Motion
To approve and authorize the Acting Chief of Police to execute all necessary documentation in acceptance of the Vermont Department of Mental Health grant awarded to the City in the amount of $667,252.00 for fiscal years '23 and '24, a two-year, 50/50 cost share for the implementation of the Medical Enhanced Mobil Crisis Response Team, upon final review and approval of the City Attorney's Office

Respectfully and sincerely,

Jon Murad
Acting Chief of Police

Board of Finance and City Council Submission Checklist

Department: Police Submitter: Acting Chief of Police Jon Murad

Title/Subject: Request to Accept Crisis Team Funding

	Approval:	Meeting Date:
☒	Board of Finance	3/13/2023
☒	City Council	3/13/2023
☐	Concurrent	Click or tap to enter a date.

This form must be completed by the person submitting the materials, and sent with the final submission. Please do not indicate that a signoff was received until it has actually been obtained.

Signoffs Received

Signoff Needed	Received	Date Received	Note
Department Head	Yes	3/9/2022	Click or tap here to enter text.
Mayor's Office informed and approved memo	Yes	2/20/2023	Click or tap here to enter text.
Board/Commission, if required	Choose an item.	Click or tap to enter a date.	Click or tap here to enter text.
City Attorney's Office has approved contract and/or legal documents, -Identify attorney in note	N/A		Click or tap here to enter text.
City Attorney's Office has approved memo and motion(s) or resolution(s) -Identify attorney in note	Yes	3/9/2023	Click or tap here to enter text.
CAO has reviewed budget, financing, and memo	Yes	3/9/2023	Click or tap here to enter text.
Human Resources, if personnel action -Identify HR Manager in note	N/A		
CIO, if an IT-related investment/purchase	N/A	Click or tap to enter a date.	Click or tap here to enter text.

Materials Included

	Included?	Note
Final Memo Attached?	Yes	Click or tap here to enter text.
Contract Attached, if applicable?	N/A	Click or tap here to enter text.
Additional Materials, if necessary	N/A	Click or tap here to enter text.
Draft Resolution or Motion?	Yes	Click or tap here to enter text.
If for submission to Council, are sponsors identified?	N/A	Click or tap here to enter text.

Dear CFO Schad,

Backgrounds: The Park Art and Culture Commitee received a detailed presentation from the Odd Fellow organization located in the New North End of Burlington about the need for a community mural on the wall of the Odd Fellow building located at 1416 North Ave. Please see link of the presentation below:
https://docs.google.com/presentation/d/16f0Q9IfufSFeXP8m6UXQIqH_ydmO34kI-MR2tkSmwfg/edit?usp=sharing

Commitee members Shannon, Barlow and Dieng along with Doreen Kraft, Director of BCA asked detailed questions, please see the unapproved meeting minutes for more information.

Representative of the Odd Fellow, Mr. Frink has been working with BCA around the process of creating a public Arts and will continue to receive support from BCA around the process and the management of the funds being requested.

The PACC committee members approved the motion to request $10,000 from the Council Initiative Funds to be set aside for the purpose of a creation of the community mural at the Odd Fellow in the NNE using the city of Burlington Public Arts Guidelines Policy.

This is a request to have this item on the BOF agenda of Monday, March 13th.

Please let us know if you have any questions.
Thanks,
Ali

Mr. Ali Dieng
Burlington City Councilor Ward 7
802-318-2527
www.alidiengvt.com

CITY OF BURLINGTON
PARKS, ARTS & CULTURE COMMITTEE

Councilor Joan Shannon, Chair, South District
Councilor Ali Dieng, Ward 7
Councilor Mark Barlow, North District

Staff: Holli Bushnell, Office Assistant
Lakeview Cemetery
hbushnell@burlingtonvt.gov

Minutes
Parks, Arts & Culture Committee Meeting

Wednesday, February 23, 2023, 5:00pm

MEETING CONDUCTED IN PERSON AT 645 PINE ST IN THE FRONT CONFERENCE ROOM AND VIA ZOOM

Attendance:

Committee Members: Chair Joan Shannon, Councilor Mark Barlow, Councilor Ali Dieng

City Staff: Cindi Wight – BPRW Director, Doreen Kraft – BCA Director, Colin Storrs – BCA Staff, Holli Bushnell – BPRW Staff

Public Present – Ryon Fink – Oddfellows Lodge Member, Joanne Kasliz

Meeting called to order at 5:045pm by Chair Joan Shannon

Approval of Agenda

Councilor Dieng moved to approve the agenda, Councilor Barlow seconded, all were in favor.

Approval of Draft Minutes from 1/26/2023

Barlow moved to approve the minutes, Dieng seconded, all were in favor.

Public Forum

Public forum was opened at 5:06pm, as there was no one present who wished to speak at this time, public forum was also closed at 5:06pm

BCA Update: Oddfellows Lodge Mural

Doreen Kraft and Colin Storrs were present to represent BCA and assist in the presentation along with Ryon Fink from the Oddfellows Lodge. Fink reached out to BCA a few months ago for assistance commissioning public art in the form of a mural for the front of Oddfellows Lodge. Fink was advised to meet with the other members of his organization in March to discuss parameters of the project if PACC and the City Council are in support of the project. BCA does not have funding to assist in developing this project in the current fiscal year.

Fink explained that the Oddfellows are looking into possibility of using city funds on private property which would be a first for the city. He confirmed that the Oddfellows intend to use the new public art guidelines for the development process and the final selection of the piece, however the ultimate ownership of the mural itself is still somewhat unclear. First step is to sit down at lodge meeting and determine the budget for the piece and what the Oddfellows are able to contribute towards the budget.

Once they know exactly what funds they have for the piece the Oddfellows will look to other sources for additional funding. BCA will help facilitate the development process by providing advice and assisting in contacting artists. A review committee will select the most appropriate piece for the project.

Shannon asked if Fink could provide some background on the Oddfellows as an organization. Fink presented a slide show which detailed the history of the Oddfellows as a beneficial organization similar to the Elks or Masons or the German or Champlain Clubs. They own and operate out of a building on North Avenue which, in the past few years, has become rundown and a prime target for graffiti. The Oddfellows main focus is on community building, mutual aid, and charitable works. They were founded nationally in 1819, are open to any and all who are interested, and have chapters all over the world. The Burlington Oddfellows Lodge has dedicated crew of diehard members who are aging rapidly (part of the reason the outside of the building is in disrepair). The primary focus of the Burlington lodge right now is North End pantry. They have been open for 10 years, have had approximately 30,000 visitors in that time, and currently see around 500 visitors per month for food, diapers, clothing, etc. The Oddfellows try to insure that there are no barriers to use of the pantry; it is a community space and their services do not feel like hand-outs. They want to build community, not just provide charity. The pantry is open Saturdays and Sundays between 9 and 11, and Tom Fleury has been point person in pantry effort.

The Oddfellows have big plans in the next year. There are a lot of new members who have joined in the last 4 months from around the neighborhood, looking for ways to help community and build needed space. Lodge members are working on turning the main hall of the lodge from storage space to a community center. They hope to hold community dinners, game nights, a device clinic, and, ultimately, hope to make the space available for public use. The Oddfellows want the space to be as usable to everyone as possible.

Dieng asked if the Oddfellows have expenses or pay property taxes, and Fink confirmed that they do. The Oddfellows have tried to figure out ways to have different tax status, but they do pay property taxes and that is their biggest expense.

Fink continued by explaining that the Lodge has a big brick wall that faces North Ave that has attracted lots of graffiti over the years and has become an eye-sore. Fink also noted that there is limited public art in the New North End. The district contains roughly a quarter of the city's population and yet has virtually no public art projects. It's pretty barren art wise and the Oddfellows would like to change that. The New North End is becoming just as diverse as the rest of the city, and Fink and the Oddfellows feel that it would be nice if the area started looking like it.

On town meeting day, the Oddfellows will hold a lodge meeting (every member who shows up gets an equal vote following Robert's Rules of Order). Fink and other lodge members will be presenting a motion for mural project to move forward and set a budget. The initial budget will be $1000 to solicit proposals from 5 to 7 artist. Once they've received/reviewed their proposals they'll be coming back to PACC to talk about funding the actual installation of the mural. They will have cost and timeline info

Councilor Joan Shannon, Chair, South District
Councilor Ali Dieng, Ward 7
Councilor Mark Barlow, North District

Staff: Holli Bushnell, Office Assistant
Lakeview Cemetery
hbushnell@burlingtonvt.gov

when they return to discuss split funding. The lodge has limited resources but would like to work with the city to get this done in a timely manner. They are aiming to select proposal in spring and hope to have the finished mural installed before winter. Fink and the Oddfellows fell this will transform both the building and the area as a whole. In terms of what they're looking for, they love the murals that have been installed around the city in the last few years and hope to do something similar. The Oddfellows would like the mural to emphasize their pantry work and including Oddfellows symbols (pretty unobjectionable and would like to have them worked into proposals).

Shannon commented that the South End has been benefiting from many of the current public art projects. She loves this idea. She proposed setting aside councilor funds and allocating them for the project. Shannon asked what was remaining in councilor funds. Barlow stated that the fund started with $50,000 and not very much has been spent for the current year.

Shannon continued by stating that, while the Oddfellows are a private organization they are both public facing and provide huge public benefits. Shannon agrees that the streets in the New North End are busy, diverse, and deserve the same treatment as the rest of the city. Shannon asked of Kraft or Storrs could provide a potential cost estimate. Storrs commented that BCA estimates the cost of mural installation at $20 to $50 per square foot, but may be a little outdated. He guesses that the cost will probably be closer to $50 per square foot project. The space for the mural is 80' x 22', so the cost will likely be around $8000. The best part of the space is that there are no windows or shapes to design around – it's a very simple space to work with that makes it ideal for a mural project.

Shannon asked if the mural could potentially wrap around the building and Fink confirmed that that is a possibility. They will be encouraging artists who apply to be creative with their concepts.

Barlow asked if there will be any work done to the building, specifically the entrance, before the mural is installed, and Fink confirmed that the Oddfellows are making basic repairs to the entrance which they intend to complete before the mural installation. The Oddfellows would be able to tailor the building work to suit the mural artist, but they would want to decide on the details first.

Shannon asked about the condition of the building façade. Fink stated that the building is brick, and is in good shape. There is no crumbling and the bricks are well-sealed. Storrs agreed that the façade looks good, but cannot confirm it's in perfect condition without having a mason check it. He commented that murals are not permanent public art, they have a life span and eventually need to be removed or repaired, but the existing wall looks like it's in great shape for the project.

Shannon asked Fink what he's looking for from PACC this evening and Fink explained that he's really just introducing himself and the project. Fink will be returning for funding after proposal phase. He is working with Storrs for management of project.

Kraft commented that the council funds may not be available when Fink is ready to return and request funding assistance. She wondered if the committee should propose setting aside a certain amount of funding to be confirmed after muralist is chosen. If this is something they want to support it may be a good idea to have funding saved. Shannon agreed that it would be worth putting aside $10,000 if it's available.

Dieng stated that he is very impressed with Oddfellows and Fink. He loves that it's about community and family. He agreed to the proposal to set $10,000 aside for project and asked how the committee should proceed. Shannon stated that the committee would need to make a motion to set the funds aside, vote on the motion, then send the request to the Board of Finance.

Dieng moved to request $10,000 from City Councilor initiative funds for purpose of public art mural at Oddfellows lodge in the New North End. Barlow seconded, and asked to understand exactly how the request would be presented to Board of finance. Dieng confirmed that he would draft a request before the next council meeting.

Shannon asked that Fink prepare the case for the mural, stating that PACC likes the concept even though the details aren't all worked out. All are in agreement on the concept and will propose that money be set aside for it. They can discuss the project at Board of Finance, hold money out, and then have final approval after details become clear.

All were in favor of requesting that Board of Finance set aside $10,000 for the Oddfellows Lodge Mural project with final approval of those funds to be determined following the selection of an artist/mural project. Shannon thanked Fink for his work, commenting that this mural is a great community beautification project.

Fink stated that he was excited and can't wait to bring back their proposal.

Safety in Parks
Cindi Wight was present to provide a quick update. She shared that discussions continue with Mayor's office and BPD. That said, they are not ready to bring anything forward yet. Wight shared that, unfortunately, there are not funds available for the expanded ranger program as BPRW envisioned it this year. In light of that BPRW is working with the Mayor's office and BPD to come up with a plan for what enforcement looks like with only our 2 existing rangers. These discussions need to continue before BPRW, BPD, and the Mayor's office and bring their proposal to PACC.

Some positive updates include that the rangers will be training with Denver, CO Urban Park Rangers for 9 days. Denver has grown their program from 2 rangers in 2011 to 60 today, and they are a well-received group who act in the same manner as our rangers.

Barlow commented that the training will give the rangers additional tools to use with the upcoming changes. Shannon added that, having spent a year in the department the rangers will be going into the training knowing exactly what challenges they face. Wight agreed, providing the example of how Denver handles their hazardous site/encampment clean-ups. Instead of picking through a site they choose to pay $400/hour for hazmat team to clean the areas.

Kraft commented that she hopes the public safety plan that's in the works can be put in place as soon as possible. BCA has started signing contracts for summer events, and those bookings need to be completed by March. BCA and visiting artists need to know that the city is able to take care of activities they're contracted for and that there is adequate protection for children and families. She feels this needs to be known as soon as possible so we know what resources are and what things will look like.

Wight stated that Chief of Police Murad indicated that details on the broader public safety plan will be coming in in early march. She also stated that City Hall Park can't be a ranger issue when there are only 2 rangers in the department and noted that BPD is currently recognizing that they need to handle CHP. Chief Murad indicates that there will likely be dedicated officers in CHP who can be very straightforward with people in the park.

Kraft commented that CHP might need a reset button. The lack of enforcement due to inadequate PD staffing has set a bad precedent. She hopes the city can approach the transition back to following ordinances with a unique touch. Wight commented that Denver had similar situation in one of their parks. They chose to close and fence off the park for a short time, then slowly re-opened it. They still haven't fully re-opened that space and they provide 24/7 staff coverage coverage. That's how they regained control.

Dog Task Force

Wight provided a short update on what the dog task force has been working on for the last year. Maria Karunungan, owner of Fetch the Leash, is the chair of the task force and has stepped into leadership role. There is a BPD rep who has come to last few meetings and as well as someone who has joined the task force from conservation board. The task force has been looking at mandate, and has put out a survey which they've advertised with signs in parks encouraging people to take survey. Non-staff members of the task force have been attending NPA meetings. The task force is also working with Burlington City and Lake to include try to include a youth voice in their discussions. They may be doing dive into one site that they feel has the most potential with city and lake semester to work on community outreach. There has been 600 responses to survey. Educational campaigns have gone out (part of initiative/mandate). Licensing educational initiative is being put out now.

A task force member who works as a lawyer with PETA has been going through ordinances and will have updates included in final recommendation. Members of the task force have had an initial conversation with CAO Schad about continued work (education/programing). They proposed that 50% of revenue from dog licenses go into reserve fund to support dog work in community, education, and off-leash programing. It has taken more time than the task force initially anticipated to receive compliance information from BPD. They are trying to understand how much ticketing has been happening but only received that information recently. The task force is looking to figure out a goal to get final report. They will be meeting at the end of Feb to decide on goal to wrap work up, make final report, and end task force. It has been slow going but overall it's been a good, positive process.

Barlow stated that the dog task force and specifically the survey has been hot topic on his Front Porch Forum, and he has fielded multiple constituent calls about it. The main concern is that there is only an option for neutral to positive feelings concerning an off-leash dog park, it would be better if individuals were given the chance to disapprove of the idea. He stated that he has had an ongoing interaction with one constituent who has issues with their neighbor and asked how dog issues get reported and if it's something that could go through See, Click, Fix.

Wight stated that reporting is part of what the task force is looking at. It is unclear who enforces what ordinances and where. Barlow stated that he would like to see See, Click, Fix used as reporting platform.

Dieng asked about the current composition of task force members. Wight explained that Jake, the Starr Farm Dog Park volunteer, stepped down recently and that it's going to take a bit to find a replacement. As group is trying to wrap things up they didn't want to bring someone new in for the last month.

Both Dieng and Shannon asked that Kyle, who has been participating in meetings since the beginning, be credited as original member and officially brought on board.

Dieng stated that the community in general very concerned about dog issues. He feels it would be valuable if dog task force could present to full council. The community needs to know what's going on, and he feels the best way to do that would be to provide a progress report to full council and community at large. People don't know this work is happening and it would be a good way to help the community become aware of the work the task force is doing. Shannon commented that she would also like the task force to update the full council.

Joanne Kalisz asked to speak as a member of the community. She stated that she is not a task force member but she did apply and wanted to be involved, but hasn't been contacted or sent links. She feels that there are a lot of people who are interested but not being reached. Primarily interested in talking about the survey which she felt was very upsetting as someone who is very involved with dogs in the city. Shannon asked that Kalisz email PACC with her concerns.

Shannon wondered if, to be consistent with resolution, PACC should appoint people to fill vacant positions on the task force. Dieng was in agreement and suggested getting an application from Kalisz. Barlow commented that the goal of the various positions on the task force were to provide a broad perspective on the issues. If we've lost a segment of that we should try to get it back. Takes the point that we're close to the end, but should have a process that honors all perspectives.

Wight stated that she would have the positions posted for the missing task force members on the city website. PACC will be able to appoint new members at their next meeting. Postings will also be placed at Starr Farm Dog Park.

Parks Parking

Wight explained that, in order to have parking services enforce parking in lots controlled by BPRW, they need to add onto the existing ordinance that enforcement of lots is through DPW parking services. The DPW commission is working on changing the language on their side of things, but BPRW needs to go through the council to change their ordinances. Essentially, the change will enable DPW to be the ones to ticket at all BPRW parking lots. Wight asked that PACC please show support for the ordinance change at the upcoming City Council meeting.

Barlow moves to have PACC sponsor BPRWs ordinance change resolution, Dieng seconded, and all in favor. PACC will sponsor the resolution.

Schedule Next Meeting and Adjournment
The next meeting will be held on March 22, 2023 at 5pm at 645 Pine St in the front conference room.

The meeting adjourned at 6:34pm