

Federal Compliance Audit

Burlington School District

June 30, 2021



Proven Expertise & Integrity

BURLINGTON SCHOOL DISTRICT

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JUNE 30, 2021

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Burlington School District
Burlington, Vermont

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Burlington School District, a department of the City of Burlington, Vermont as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Burlington School District as of June 30, 2021 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.

Emphasis of Matter

As discussed in Note 1 of Notes to Financial Statements, the financial statements of the Burlington School District are intended to present the financial position, the changes in financial position and, where applicable, cash flows of only that portion of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Burlington, Vermont that is attributable to the transactions of the Burlington School District. They do not purport to and do not present fairly the financial position of the City of Burlington, Vermont as of June 30, 2021, the changes in its financial position or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion, budgetary comparison information, pension and OPEB related information on pages 4 through 12 and 79 through 91 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Burlington School District's basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and related 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 and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2022 on our consideration of Burlington School District'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 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 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 Burlington School District's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000697
February 15, 2022

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

(UNAUDITED)

The following management's discussion and analysis of the Burlington School District's financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the School District's financial statements.

Financial Statement Overview

The School District's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes required supplementary information which consists of a general fund budgetary comparison schedule, pension and OPEB related information and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the School District's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regard to the School District's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position - this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities - this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the above-mentioned financial statements have separate columns for the two different types of District activities. The types of activities presented for the School District are:

- *Governmental activities* - The activities in this section are mostly supported by intergovernmental revenues (federal and state grants). Most of the School District's basic services are reported in regular instruction, special education instruction, other instruction programs, student support services, staff support services, general administration, school administration, centralized services, operations and maintenance, transportation services, employee benefits, program expenses and community services.
- *Business-type activities* - These activities are normally intended to recover all or a significant portion of their costs through user fees and/or charges to external users for goods and/or services. These activities for the School District include the food service, A&P post secondary and continuing ed night funds.

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. The School District, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the School District can be classified into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds: Most of the basic services provided by the School District are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the School District's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the School District.

Because the focus of governmental funds is narrower than that of 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 government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The School District presents five columns in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The School District's four major funds are the general fund, the debt service fund, vocational fund and the capital projects fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

For auditing purposes, the School District's general fund is an aggregation of a series of general funds. The most important and by far the largest, of these funds is what the School District refers to as Fund 1001 General Fund. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund provides a comparison of the original and final budget and the actual expenditures for all of the aggregated general fund, not simply Fund 1001, for the current year.

Proprietary Funds: The School District maintains three proprietary funds, the food service, A&P post secondary and continuing ed night funds. These funds are used to show activities that operate more like those of commercial enterprises. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. No reconciliation is needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

Fiduciary Funds: These funds are used to account for resources held for the benefit of parties outside the Burlington School District. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the District's own programs. The accounting used for fiduciary funds are much like that of proprietary funds. They use the accrual basis of accounting.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Statement of Changes Net Position - Fiduciary Funds.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, a Schedule of Proportionate Share of the Net Pension Liability

- VSTRS, a Schedule of Contributions - VSTRS, a Schedule of Changes in Net Pension Liability and Related Ratios - Burlington Employees' Retirement System, a Schedule of Contributions - Burlington Employees' Retirement System, a Schedule of Investment Returns - Burlington Employees' Retirement System, a Schedule of Proportionate Share of the net OPEB Liability - VSTRS, a Schedule of Contributions - VSTRS OPEB, a Schedule of Changes in Net OPEB liability - Burlington Employees' Retirement System OPEB Plan, a Schedule of Changes in Net OPEB liability and Related Ratios - Burlington Employees' Retirement System OPEB Plan and Notes to Required Supplementary Information.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining schedules provide information in regard to nonmajor funds.

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the District's governmental activities. The District's total net position for governmental activities increased by \$1,176,302 from \$20,411,060 to \$21,587,362. The District's total net position for business-type activities increased by \$469,817 from \$1,491,613 to \$1,961,430.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - increased for governmental activities to a deficit balance of \$6,440,839 at the end of this year. Unrestricted net position for business-type activities decreased to a balance of \$1,865,988.

Table 1
Burlington School District
Net Position
June 30,

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2021</u>	<u>2020 (Restated)</u>	<u>2021</u>	<u>2020 (Restated)</u>
Assets:				
Current Assets	\$ 42,260,707	\$ 17,852,604	\$ 1,913,356	\$ 1,555,089
Restricted Cash	8,183,126	10,745,012	-	-
Noncurrent Assets - Capital Assets	59,110,568	60,044,782	95,442	87,281
Total Assets	<u>109,554,401</u>	<u>88,642,398</u>	<u>2,008,798</u>	<u>1,642,370</u>
Deferred Outflows of Resources	<u>1,830,175</u>	<u>2,856,271</u>	<u>-</u>	<u>-</u>
Liabilities:				
Current Liabilities	29,104,277	8,855,331	47,368	150,757
Noncurrent Liabilities	59,762,093	59,513,346	-	-
Total Liabilities	<u>88,866,370</u>	<u>68,368,677</u>	<u>47,368</u>	<u>150,757</u>
Deferred Inflows of Resources	<u>930,844</u>	<u>2,718,932</u>	<u>-</u>	<u>-</u>
Net Position:				
Net Investment in Capital Assets	9,816,284	6,427,446	95,442	87,281
Restricted: Debt service fund	9,145,630	9,126,362	-	-
Capital projects fund	6,594,805	10,394,526		
Special revenue funds	2,445,745	2,752,792		
Permanent funds	25,737	25,623		
Unrestricted (deficit)	<u>(6,440,839)</u>	<u>(8,315,689)</u>	<u>1,865,988</u>	<u>1,404,332</u>
Total Net Position	<u>\$ 21,587,362</u>	<u>\$ 20,411,060</u>	<u>\$ 1,961,430</u>	<u>\$ 1,491,613</u>

Revenues and Expenses

Revenues for the Burlington School District's governmental activities increased by 16.01%, while total expenses increased by 19.93%. The increase in revenues was primarily due to operating grants and contributions. The largest increases in expenses were in program expenses and payments made on-behalf of the District by the State of Vermont.

Revenues for the School District's business-type activities increased by 35.09%, while total expenses increased by 14.71%.

Table 2
Burlington School District
Changes in Net Position
For the Years Ended June 30,

	Governmental Activities		Business-type Activities	
	2021	2020	2021	2020
Revenues				
<i>Program Revenues:</i>				
Charges for services	\$ 1,716,196	\$ 1,266,754	\$ 145,329	\$ 588,019
Operating grants and contributions	49,696,572	35,931,332	3,221,757	1,843,297
<i>General Revenues:</i>				
General state support	67,402,022	66,146,587	-	-
Investment income	691,460	678,525	-	-
Miscellaneous	2,634,007	1,261,620	258,565	252,589
Total Revenues	122,140,257	105,284,818	3,625,651	2,683,905
Expenses				
Regular instruction	33,521,131	30,102,891	-	-
Special education instruction	13,885,210	14,992,566	-	-
Other instructional programs	955,423	692,265	-	-
Student support services	6,304,832	5,811,425	-	-
Staff support services	3,532,325	3,469,879	-	-
General administration	771,554	705,000	-	-
School administration	3,804,989	3,697,909	-	-
Centralized services	2,034,739	1,843,380	-	-
Operations and maintenance	6,911,505	6,182,669	-	-
Transportation services	980,678	970,128	-	-
Employee benefits	550,093	656,618	-	-
On-behalf payments	25,620,117	17,983,812	-	-
Program expenses	16,705,560	8,727,739	-	-
Community services	47,008	5,945	-	-
Unallocated depreciation	2,016,966	1,600,044	-	-
Interest on long-term debt	2,093,523	1,987,603	-	-
Food service	-	-	3,454,480	3,011,574
Capital outlay	929,656	1,179,498	-	-
Total Expenses	120,665,309	100,609,371	3,454,480	3,011,574
<i>Special items:</i>				
Bond issuance costs	-	(118,629)	-	-
Transfers	(298,646)	(33,909)	298,646	33,909
Total Special items	(298,646)	(152,538)	298,646	33,909
Change in Net Position	1,176,302	4,522,909	469,817	(293,760)
Net Position - July 1, Restated	20,411,060	15,888,151	1,491,613	1,785,373
Net Position - June 30	\$ 21,587,362	\$ 20,411,060	\$ 1,961,430	\$ 1,491,613

Financial Analysis of the School District's Fund Statements

Governmental funds: The financial reporting focus of the School District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information may be useful in assessing the School District's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's financial position at the end of the year and the net resources available for spending.

Table 3
Burlington School District
Fund Balances - Governmental Funds
June 30,

	2021	2020 (Restated)	Increase/ (Decrease)
Major Funds:			
General Fund:			
Nonspendable	\$ 220,400	\$ 85,800	\$ 134,600
Committed	9,599,250	6,005,499	3,593,751
Unassigned	3,500,000	4,175,000	(675,000)
Total General Fund	\$ 13,319,650	\$ 10,266,299	\$ 3,053,351
Debt Service Fund:			
Restricted	\$ 9,145,630	\$ 9,126,362	\$ 19,268
Total Debt Service Fund	\$ 9,145,630	\$ 9,126,362	\$ 19,268
Capital Projects Fund:			
Restricted	\$ 6,594,805	\$ 10,394,526	\$ (3,799,721)
Total Capital Projects Fund	\$ 6,594,805	\$ 10,394,526	\$ (3,799,721)
Nonmajor Funds:			
Special Revenue Funds:			
Restricted	\$ 2,445,745	\$ 2,751,532	\$ (305,787)
Assigned	341,236	106,074	235,162
Unassigned	(264,610)	(283,355)	18,745
Permanent Funds:			
Restricted	25,737	25,623	114
Total Nonmajor Funds	\$ 2,548,108	\$ 2,599,874	\$ (51,880)

The changes in total fund balances for the general fund, debt service fund and the aggregate nonmajor funds occurred due to the regular activity of operations. The decrease in the capital projects fund was due to anticipated capital outlay.

Proprietary funds: The School District’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The proprietary funds had operating income of \$469,817 for the year ended June 30, 2021.

Budgetary Highlights

There was no difference between the original and final budget for the general fund.

For auditing purposes, the School District’s general fund is an aggregation of a series of general funds. The most important and by far the largest of these funds, is what the School District refers to as Fund 1001 General Fund.

Actual revenues to Fund 1001 General Fund were above budgeted amounts and actual expenditures from Fund 1001 General Fund were below budgeted amounts. Consequently, the School District produced a surplus in Fiscal Year 2021. This surplus is reflected in the School District’s fund balance. For the year ended June 30, 2021, the unassigned fund balance is \$3,500,000. The unassigned fund balance is available for use in future budgets.

Capital Asset and Long-Term Debt Activity

Capital Assets

As of June 30, 2021, the School District capital assets increased by \$1,635,833. This increase was due to capital additions of \$3,688,531, less net disposals/transfer of \$9,783 and current year depreciation expense of \$2,042,915.

**Table 4
Burlington School District
Capital Assets (Net of Depreciation)
June 30,**

	2021	2020
Land	\$ 2,251,677	\$ 2,251,677
Construction in progress	227,651	552,473
Buildings and improvements	47,316,758	45,457,135
Furniture, fixtures and equipment	759,142	636,422
Vehicles	467,656	489,344
Total	\$ 51,022,884	\$ 49,387,051

Debt

At June 30, 2021, the School District had \$42,729,808 in bonds payable versus \$44,490,974 in the prior fiscal year. Refer to Note 6 of Notes to Financial Statements for more detailed information.

Currently Known Facts, Decisions or Conditions

The outbreak of COVID-19 has been declared a pandemic and led to a national state of emergency in the United States. Refer to Note 1 of Notes to Financial Statements for more detailed information.

At present it is not possible, with any degree of certainty, to estimate the impact of COVID-19 on the revenues, expenditures, budget or overall financial position of the Burlington School District. No assurance can be given regarding future events or impacts because these actions and events are unpredictable or unknowable at this time and are outside the control of the Burlington School District.

The District has also noted subsequent events as a currently known fact. Refer to Note 20 of Notes to Financial Statements for more detailed information.

Economic Factors and Next Year's Budgets and Rates

The School District is not aware of any factors that could severely impact its future economic condition.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School District at 150 Colchester Avenue, Burlington, Vermont 05401.

BURLINGTON SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 43,769,438	\$ -	\$ 43,769,438
Investments	25,262	-	25,262
Accounts receivable (net of allowance for uncollectibles):			
Other	47,139	4,000	51,139
Due from other governments	7,518,822	674,402	8,193,224
Prepaid items	220,400	-	220,400
Inventory	-	97,726	97,726
Internal balances	(1,137,228)	1,137,228	-
Total current assets	<u>50,443,833</u>	<u>1,913,356</u>	<u>52,357,189</u>
Noncurrent assets:			
Restricted cash	8,183,126	-	8,183,126
Land and other assets not being depreciated	2,479,328	-	2,479,328
Buildings, building improvements and other assets, net of accumulated depreciation	48,448,114	95,442	48,543,556
Total noncurrent assets	<u>59,110,568</u>	<u>95,442</u>	<u>59,206,010</u>
TOTAL ASSETS	<u>109,554,401</u>	<u>2,008,798</u>	<u>111,563,199</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	1,361,565	-	1,361,565
Deferred outflows related to OPEB	468,610	-	468,610
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,830,175</u>	<u>-</u>	<u>1,830,175</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 111,384,576</u>	<u>\$ 2,008,798</u>	<u>\$ 113,393,374</u>

STATEMENT A (CONTINUED)

BURLINGTON SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 25,363,898	\$ 47,368	\$ 25,411,266
Accrued wages and benefits	1,634,456	-	1,634,456
Due to other governments	1,000	-	1,000
Current portion of long-term obligations	2,104,923	-	2,104,923
Total current liabilities	<u>29,104,277</u>	<u>47,368</u>	<u>29,151,645</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	41,034,808	-	41,034,808
Accrued compensated absences	2,322,900	-	2,322,900
Net pension liability	9,797,870	-	9,797,870
Net OPEB liability	6,606,515	-	6,606,515
Total noncurrent liabilities	<u>59,762,093</u>	<u>-</u>	<u>59,762,093</u>
TOTAL LIABILITIES	<u>88,866,370</u>	<u>47,368</u>	<u>88,913,738</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	19,412	-	19,412
Deferred inflows related to pensions	276,455	-	276,455
Deferred inflows related to OPEB	634,977	-	634,977
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>930,844</u>	<u>-</u>	<u>930,844</u>
NET POSITION			
Net investment in capital assets	9,816,284	95,442	9,911,726
Restricted:			
Debt service fund	9,145,630	-	9,145,630
Capital projects fund	6,594,805	-	6,594,805
Special revenue funds	2,445,745	-	2,445,745
Permanent funds	25,737	-	25,737
Unrestricted (deficit)	(6,440,839)	1,865,988	(4,574,851)
TOTAL NET POSITION	<u>21,587,362</u>	<u>1,961,430</u>	<u>23,548,792</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 111,384,576</u>	<u>\$ 2,008,798</u>	<u>\$ 113,393,374</u>

See accompanying independent auditors' report and notes to financial statements.

BURLINGTON SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental activities:							
Regular instruction	\$ 33,521,131	\$ 1,716,196	\$ 24,076,455	\$ -	\$ (7,728,480)	\$ -	\$ (7,728,480)
Special education instruction	13,885,210	-	-	-	(13,885,210)	-	(13,885,210)
Other instructional programs	955,423	-	-	-	(955,423)	-	(955,423)
Student support services	6,304,832	-	-	-	(6,304,832)	-	(6,304,832)
Staff support services	3,532,325	-	-	-	(3,532,325)	-	(3,532,325)
General administration	771,554	-	-	-	(771,554)	-	(771,554)
School administration	3,804,989	-	-	-	(3,804,989)	-	(3,804,989)
Centralized services	2,034,739	-	-	-	(2,034,739)	-	(2,034,739)
Operations and maintenance	6,911,505	-	-	-	(6,911,505)	-	(6,911,505)
Transportation services	980,678	-	-	-	(980,678)	-	(980,678)
Employee benefits	550,093	-	-	-	(550,093)	-	(550,093)
On-behalf payments	25,620,117	-	25,620,117	-	-	-	-
Program expenses	16,705,560	-	-	-	(16,705,560)	-	(16,705,560)
Community services	47,008	-	-	-	(47,008)	-	(47,008)
Unallocated depreciation (Note 5)*	2,016,966	-	-	-	(2,016,966)	-	(2,016,966)
Interest on long-term debt	2,093,523	-	-	-	(2,093,523)	-	(2,093,523)
Capital outlay	929,656	-	-	-	(929,656)	-	(929,656)
Total governmental activities	<u>120,665,309</u>	<u>1,716,196</u>	<u>49,696,572</u>	<u>-</u>	<u>(69,252,541)</u>	<u>-</u>	<u>(69,252,541)</u>
Business-type activities:							
Food service	3,454,480	145,329	3,221,757	-	-	(87,394)	(87,394)
Total business-type activities	<u>3,454,480</u>	<u>145,329</u>	<u>3,221,757</u>	<u>-</u>	<u>-</u>	<u>(87,394)</u>	<u>(87,394)</u>
Total government	<u>\$ 124,119,789</u>	<u>\$ 1,861,525</u>	<u>\$ 52,918,329</u>	<u>\$ -</u>	<u>(69,252,541)</u>	<u>(87,394)</u>	<u>(69,339,935)</u>

*This amount excludes the depreciation that is included in the direct expenses of various programs.

STATEMENT B (CONTINUED)
BURLINGTON SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
Changes in net position:			
Net (expense) revenue	(69,252,541)	(87,394)	(69,339,935)
General revenues:			
General state support	67,402,022	-	67,402,022
Investment income	691,460	-	691,460
Miscellaneous	2,634,007	258,565	2,892,572
Total general revenues	70,727,489	258,565	70,986,054
Special items:			
Transfers	(298,646)	298,646	-
	(298,646)	298,646	-
Change in net position	1,176,302	469,817	1,646,119
NET POSITION - JULY 1, RESTATED	20,411,060	1,491,613	21,902,673
NET POSITION - JUNE 30	\$ 21,587,362	\$ 1,961,430	\$ 23,548,792

See accompanying independent auditors' report and notes to financial statements.

BURLINGTON SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 43,428,202	\$ -	\$ -	\$ 341,236	\$ 43,769,438
Restricted cash	-	8,183,126	-	-	8,183,126
Investments	-	-	-	25,262	25,262
Accounts receivable (net of allowance for allowance for uncollectibles)	-	-	-	47,139	47,139
Due from other governments	2,296,868	-	-	5,221,954	7,518,822
Prepaid items	220,400	-	-	-	220,400
Due from other funds	5,106,632	962,504	28,667,347	2,363,457	37,099,940
TOTAL ASSETS	\$ 51,052,102	\$ 9,145,630	\$ 28,667,347	\$ 7,999,048	\$ 96,864,127
LIABILITIES					
Accounts payable	\$ 2,997,803	\$ -	\$ 22,072,542	\$ 293,553	\$ 25,363,898
Accrued wages and benefits	1,555,441	-	-	79,015	1,634,456
Due to other governments	1,000	-	-	-	1,000
Due to other funds	33,158,796	-	-	5,078,372	38,237,168
TOTAL LIABILITIES	37,713,040	-	22,072,542	5,450,940	65,236,522
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue	19,412	-	-	-	19,412
TOTAL DEFERRED INFLOWS OF RESOURCES	19,412	-	-	-	19,412
FUND BALANCES					
Nonspendable	220,400	-	-	-	220,400
Restricted	-	9,145,630	6,594,805	2,471,482	18,211,917
Committed	9,599,250	-	-	-	9,599,250
Assigned	-	-	-	341,236	341,236
Unassigned	3,500,000	-	-	(264,610)	3,235,390
TOTAL FUND BALANCES	13,319,650	9,145,630	6,594,805	2,548,108	31,608,193
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 51,052,102	\$ 9,145,630	\$ 28,667,347	\$ 7,999,048	\$ 96,864,127

See accompanying independent auditors' report and notes to financial statements.

BURLINGTON SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 31,608,193
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	50,927,442
Deferred outflows of resources are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Deferred outflows related to pensions	1,361,565
Deferred outflows related to OPEB	468,610
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(42,729,808)
Accrued compensated absences	(2,732,823)
Net pension liability	(9,797,870)
Net OPEB obligation	(6,606,515)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	
Deferred inflows related to pensions	(276,455)
Deferred inflows related to OPEB	<u>(634,977)</u>
Net position of governmental activities	<u><u>\$ 21,587,362</u></u>

See accompanying independent auditors' report and notes to financial statements.

BURLINGTON SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
General state support	\$ 67,402,022	\$ -	\$ -	\$ -	\$ 67,402,022
Intergovernmental revenues	17,633,867	-	-	13,536,414	31,170,281
Charges for services	1,716,196	-	-	-	1,716,196
Investment income	672,044	19,268	-	148	691,460
Miscellaneous revenues	2,129,608	-	-	504,399	2,634,007
TOTAL REVENUES	89,553,737	19,268	-	14,040,961	103,613,966
EXPENDITURES					
Current:					
Regular instruction	32,011,062	-	-	-	32,011,062
Special education instruction	13,885,210	-	-	-	13,885,210
Other instructional programs	955,423	-	-	-	955,423
Student support services	6,304,832	-	-	-	6,304,832
Staff support services	3,532,325	-	-	-	3,532,325
General administration	771,554	-	-	-	771,554
School administration	3,804,989	-	-	-	3,804,989
Centralized services	2,034,739	-	-	-	2,034,739
Operations and maintenance	6,911,505	-	-	-	6,911,505
Transportation services	980,678	-	-	-	980,678
Employee benefits	550,093	-	-	-	550,093
On-behalf payments	7,093,826	-	-	-	7,093,826
Program expenses	3,578,549	-	-	13,263,177	16,841,726
Community services	47,008	-	-	-	47,008
Debt service:					
Principal	1,625,000	-	-	-	1,625,000
Interest	2,093,523	-	-	-	2,093,523
Capital outlay	168,990	-	3,799,721	605,583	4,574,294
TOTAL EXPENDITURES	86,349,306	-	3,799,721	13,868,760	104,017,787
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,204,431	19,268	(3,799,721)	172,201	(403,821)
OTHER FINANCING SOURCES (USES)					
Transfers in	626,551	-	-	1,432,655	2,059,206
Transfers (out)	(701,230)	-	-	(1,656,622)	(2,357,852)
TOTAL OTHER FINANCING SOURCES (USES)	(74,679)	-	-	(223,967)	(298,646)
NET CHANGE IN FUND BALANCES	3,129,752	19,268	(3,799,721)	(51,766)	(702,467)
FUND BALANCES - JULY 1, RESTATED	10,189,898	9,126,362	10,394,526	2,599,874	32,310,660
FUND BALANCES - JUNE 30	\$ 13,319,650	\$ 9,145,630	\$ 6,594,805	\$ 2,548,108	\$ 31,608,193

See accompanying independent auditors' report and notes to financial statements.

BURLINGTON SCHOOL DISTRICT

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, 2021

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (702,467)</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Capital asset acquisitions	4,206,894
Capital asset disposals	(562,256)
Depreciation expense	<u>(2,016,966)</u>
	<u>1,627,672</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds.	
	<u>(1,026,096)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position	
	<u>1,761,166</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds.	
	<u>1,791,292</u>
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 governmental funds:	
Accrued compensated absences	130,982
Net pension liability	(1,514,134)
Net OPEB liability	<u>(892,113)</u>
Change in net position of governmental activities (Statement B)	<u>\$ 1,176,302</u>

See accompanying independent auditors' report and notes to financial statements.

BURLINGTON SCHOOL DISTRICT

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

JUNE 30, 2021

	Enterprise Funds			Total
	Food Service	A&P Post Secondary	Continuing Ed Night	
ASSETS				
Current assets:				
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ 4,000	\$ 4,000
Due from other governments	674,402	-	-	674,402
Inventory	97,726	-	-	97,726
Due from other funds	1,067,197	98,291	-	1,165,488
Total current assets	<u>1,839,325</u>	<u>98,291</u>	<u>4,000</u>	<u>1,941,616</u>
Noncurrent assets:				
Equipment, net of accumulated depreciation	95,442	-	-	95,442
Total noncurrent assets	<u>95,442</u>	<u>-</u>	<u>-</u>	<u>95,442</u>
TOTAL ASSETS	<u>\$ 1,934,767</u>	<u>\$ 98,291</u>	<u>\$ 4,000</u>	<u>\$ 2,037,058</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 45,575	\$ 668	\$ 1,125	\$ 47,368
Due to other funds	-	-	28,260	28,260
Total current liabilities	<u>45,575</u>	<u>668</u>	<u>29,385</u>	<u>75,628</u>
TOTAL LIABILITIES	<u>45,575</u>	<u>668</u>	<u>29,385</u>	<u>75,628</u>
NET POSITION				
Net investment in capital assets	95,442	-	-	95,442
Unrestricted (deficit)	1,793,750	97,623	(25,385)	1,865,988
TOTAL NET POSITION	<u>1,889,192</u>	<u>97,623</u>	<u>(25,385)</u>	<u>1,961,430</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 1,934,767</u>	<u>\$ 98,291</u>	<u>\$ 4,000</u>	<u>\$ 2,037,058</u>

See accompanying independent auditors' report and notes to financial statements.

BURLINGTON SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Enterprise Funds			Total
	Food Service	A&P Post Secondary	Continuing Ed Night	
OPERATING REVENUES				
Charges for services	\$ 74,303	\$ -	\$ 71,026	\$ 145,329
Intergovernmental revenue	3,221,757	-	-	3,221,757
Miscellaneous revenue	227,515	24,650	6,400	258,565
TOTAL OPERATING REVENUES	<u>3,523,575</u>	<u>24,650</u>	<u>77,426</u>	<u>3,625,651</u>
OPERATING EXPENSES				
Program expenses	3,209,334	138,095	81,102	3,428,531
Depreciation	25,949	-	-	25,949
TOTAL OPERATING EXPENSES	<u>3,235,283</u>	<u>138,095</u>	<u>81,102</u>	<u>3,454,480</u>
OPERATING INCOME (LOSS)	<u>288,292</u>	<u>(113,445)</u>	<u>(3,676)</u>	<u>171,171</u>
NONOPERATING REVENUE (EXPENSES)				
Transfers from other funds	225,031	63,000	10,615	298,646
TOTAL NONOPERATING REVENUE (EXPENSES)	<u>225,031</u>	<u>63,000</u>	<u>10,615</u>	<u>298,646</u>
CHANGE IN NET POSITION	513,323	(50,445)	6,939	469,817
NET POSITION - JULY 1, RESTATED	<u>1,375,869</u>	<u>148,068</u>	<u>(32,324)</u>	<u>1,491,613</u>
NET POSITION - JUNE 30	<u>\$ 1,889,192</u>	<u>\$ 97,623</u>	<u>\$ (25,385)</u>	<u>\$ 1,961,430</u>

See accompanying independent auditors' report and notes to financial statements.

BURLINGTON SCHOOL DISTRICT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Enterprise Funds			Total
	Food Service	A&P Post Secondary	Continuing Ed Night	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 301,818	\$ 33,450	\$ 77,426	\$ 412,694
Intergovernmental receipts	2,693,488	-	(1,415)	2,692,073
Interfund activity	203,039	20,300	6,247	229,586
Payments to suppliers	(3,389,266)	(145,981)	(92,873)	(3,628,120)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(190,921)	(92,231)	(10,615)	(293,767)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer from the general fund	225,031	63,000	10,615	298,646
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	225,031	63,000	10,615	298,646
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(34,110)	-	-	(34,110)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(34,110)	-	-	(34,110)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	(29,231)	-	(29,231)
CASH AND CASH EQUIVALENTS - JULY 1	-	29,231	-	29,231
CASH AND CASH EQUIVALENTS - JUNE 30	\$ -	\$ -	\$ -	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 288,292	\$ (113,445)	\$ (3,676)	\$ 171,171
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	25,949	-	-	25,949
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivables	-	-	(1,415)	(1,415)
(Increase) decrease in due from other governments	(528,269)	8,800	-	(519,469)
(Increase) decrease in prepaid items	679	847	-	1,526
(Increase) decrease in inventory	(97,726)	-	-	(97,726)
(Increase) decrease in due from other funds	203,039	20,300	-	223,339
Increase (decrease) in accounts payable	(12,948)	(8,733)	(11,304)	(32,985)
Increase (decrease) in accrued wages and benefits	-	-	(467)	(467)
Increase (decrease) in accrued expenses	(69,937)	-	-	(69,937)
Increase (decrease) in due to other funds	-	-	6,247	6,247
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (190,921)	\$ (92,231)	\$ (10,615)	\$ (293,767)

See accompanying independent auditors' report and notes to financial statements.

BURLINGTON SCHOOL DISTRICT

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2021

	<u>Total Private-Purpose Trust Funds</u>
ASSETS	
Investments	\$ 168,680
TOTAL ASSETS	<u>\$ 168,680</u>
LIABILITIES	
Deposits held for others	\$ -
TOTAL LIABILITIES	<u>-</u>
NET POSITION	
Restricted	168,680
TOTAL NET POSITION	<u>168,680</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 168,680</u>

See accompanying independent auditors' report and notes to financial statements.

BURLINGTON SCHOOL DISTRICT

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Total Private-Purpose Trust Funds</u>
ADDITIONS	
Interest income	\$ 300
TOTAL REVENUES	<u>300</u>
DEDUCTIONS	
Distributions	<u>1,240</u>
TOTAL DEDUCTIONS	<u>1,240</u>
Change in net position	(940)
NET POSITION - JULY 1	<u>169,620</u>
NET POSITION - JUNE 30	<u>\$ 168,680</u>

See accompanying independent auditors' report and notes to financial statements.

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Burlington School District was formed by the Burlington City Charter and operates as a department of the City of Burlington, Vermont, the financial statements of which have been issued in a separate report for the year ended June 30, 2021. Therefore, the financial statements that follow present only the operations for the District and are not intended to present fairly the financial position and results of operations of the City of Burlington, Vermont in accordance with generally accepted accounting principles (GAAP). Certain disclosures relevant to both the City of Burlington, Vermont and the Burlington School District have been omitted from these financial statements and have been disclosed in the City's financial statements.

The School District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The School District's combined financial statements include all accounts and all operations of the School District. We have determined that the School District has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

COVID-19 Outbreak

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been declared a pandemic by the World Health Organization and led to a national state of emergency in the United States. The State of Maine, along with other state and local governments, declared states of emergency and issued multiple public health emergency orders that severely restrict movement and limit businesses and activities to essential functions. These actions and effects of COVID-19 have disrupted economic activity at all levels and impacted the processes and procedures for almost all businesses, including municipal and quasi-municipal entities.

In response to the health crisis created by COVID-19 since early March, the Governor of Vermont issued multiple executive orders and declarations to protect the public health in an effort to reduce community spread of the virus and protect citizens. These measures have included, among others, closing or restricting access to certain business and activities, issuing a "stay at home" directive for most citizens, restricting nonessential travel and limiting movement of all persons in Vermont to those necessary to obtain or provide essential services or activities. See Executive Order 01-20 and its

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

addendums. The state of emergency expired on June 15, 2021.

Impact on and Results of Operations

In accordance with Executive Order 1, issued by the Governor of Vermont on July 29, 2020, all public schools were opened for in person or remote classroom instruction on, but not prior to, September 8, 2020. The District chose to pursue a hybrid method of instruction that combined in-person instruction with remote instruction for most students. High school students were only able to engage in remote learning until March 2021 due to the close of Burlington High School due to the presence of airborne PCBs.

Impact on Finances

The District does not currently anticipate any additional FY 2021 expenditures due to COVID-19 that would not be covered by existing resources including authorized Coronavirus, Aid, Relief and Economic Security (“CARES”) Act, American Rescue Plan Act (“ARPA”) funding and applicable State programs.

Expected Federal/State Support

The District may have to take action to meet certain requirements to receive any additional Federal or State funding for budgetary or economic relief related to the challenges presented by COVID-19. However, the District expects that if those actions are necessary, that the District would qualify and satisfy the various conditions required to receive applicable Federal or State funds.

Conclusion

The ongoing effects of COVID-19, including the financial impact to the District, may change significantly as events and circumstances evolve locally, nationally and worldwide. At present it is not possible, with any degree of certainty, to estimate the impact of COVID-19 on the revenues, expenditures, budget or overall financial position of the District. No assurance can be given regarding future events or impacts because these actions and events are unpredictable or unknowable at this time and are outside the control of the District.

Implementation of New Accounting Standards

During the year ended June 30, 2021, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

No. 84 “Fiduciary Activities”. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval or condition is required to be taken or met by the beneficiary to release the assets. Management has determined that a restatement is required due to the impact of this Statement.

Statement No. 90 “Majority Equity Interests”. This Statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. Management has determined the impact of this Statement is not material to the financial statements.

Statement No 93 “Replacement of Interbank Offered Rates (paragraphs 4-11a).” The primary objectives of paragraphs 4-11a concern hedging derivative instruments (specifically exceptions to termination of hedge accounting, modifications to hedged items, probability of expected transactions and appropriate benchmark interest rates). The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of IBORs with other reference rates in order to preserve the reliability, relevance, consistency and comparability of reported information.

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management has determined the impact of this Statement is not material to the financial statements.

Government-Wide and Fund Financial Statements

The School District's basic financial statements include both government-wide (reporting the School District as a whole) and fund financial statements (reporting the School District's major funds).

Both the government-wide and fund financial statements categorize primary activities as governmental. The School District's food service, A&P post secondary and continuing ed night funds are categorized as a business-type activity. All other activities of the Town are categorized as governmental.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column and (b) are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The School District's net position are reported in three parts - net investment in capital assets; restricted net position and unrestricted net position. The School District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the School District's functions (instruction, administration, etc.) excluding fiduciary activities. The functions are also supported by general government revenues (general state support, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

The net costs (by function) are normally covered by general revenue (assessments, certain intergovernmental revenues and interest income, etc.).

The School District does not allocate indirect costs. All costs are charged directly to the corresponding departments.

The government-wide focus is more on the sustainability of the School District as an entity and the change in the School District's net position resulting from the current year's activities.

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus - Basic Financial Statements and Fund Financial Statements

The financial transactions of the School District are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The following fund types are used by the School District:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the School District:

Major Funds

- a. The General Fund is the general operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The Debt Service Fund is used to account for and report the accumulation of required bond sinking funds.
- c. The Capital Project Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment. Primary revenue sources are from proceeds from bonds.

Nonmajor Funds

- d. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the proprietary activity. Nonoperating revenues are any revenues which are generated outside of the general proprietary activity, i.e. interest income. The following is a description of the proprietary funds of the School District:

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.

3. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support the School District's programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

The School District's fiduciary funds are presented in the fiduciary fund financial statements by type (private-purpose). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

The emphasis in fund financial statements is on the major funds in the governmental activity category. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

1. Accrual

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Budget

The School District's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

In accordance with Governmental Accounting Standards Board Statement No. 24, *Accounting and Reporting for Certain Grants and Other Financial Assistance*, payments made by the State of Vermont to the Vermont State Retirement System for teachers and certain other school employees are reported as offsetting revenues and expenditures of the general fund.

BURLINGTON SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues per budgetary basis	\$83,086,462
Add: On-behalf payments	<u>7,093,826</u>
Total GAAP basis	<u><u>\$90,180,288</u></u>
Expenditures per budgetary basis	\$79,956,710
Add: On-behalf basis	<u>7,093,826</u>
Total GAAP basis	<u><u>\$87,050,536</u></u>

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. The annual school budget is the planning management tool, which delineates the District’s educational priorities and programs and forms the basis for voter review and approval of the budget according to applicable State of Vermont education finance laws.
2. The Board budget process includes input from school district administration and staff, educational priorities for the next school year, along with public hearings, which include the Board of Commissioners and general public.
3. The budget document itself is based upon the most current funding information available along with the projection of current revenues and expenditures for the next year. At the conclusion of the budget process, a final budget is approved by the Board of Commissioners.

Deposits and Investments

The District’s cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

It is the District’s policy to value investments at fair value. None of the District’s investments are reported at amortized cost. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be a cash equivalent. The District Treasurer is authorized by State Statutes to invest all excess funds in the following:

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Obligations of the U.S. Government, its agencies and instrumentalities
- Certificates of deposit and other evidences of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements
- Money market mutual funds

The Burlington School District has no formal investment policy but instead follows the State of Vermont Statutes.

Restricted Cash

Certain resources of the District are set aside for the repayment of bonds or unspent bond proceeds and are classified as restricted cash on the statement of net position because their use is limited by applicable bond covenants. These funds are set aside to subsidize potential deficiencies from the District's operation that could adversely affect debt service payments.

Receivables

Receivables include amounts due for Instruction, food service and transportation. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2021. Accounts receivable netted with allowances for uncollectible accounts were \$8,244,363 for the year ended June 30, 2021.

Inventories and Prepaid Items

Inventories of supplies are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet. The food service fund inventory consists of food service supplies and food on hand at the end of the year, valued at cost. The cost value is determined using the first-in, first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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 "due to/from other funds". While these balances are reported in fund financial statements, certain

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as “internal balances”.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. 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 reported at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Estimated useful lives are as follows:

Buildings	20 - 50 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years

Long-term Obligations

The accounting treatment of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The long-term obligations consist of bonds and bond premium payable, accrued compensated absences, net pension liability and net OPEB liability.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Vermont State Teachers' Retirement System (VSTRS) Plan and the Burlington Employees' Retirement System (the System) and additions to/deductions from the VSTRS and the System Plans' fiduciary net position have been determined on the same basis as they are reported by the VSTRS and System Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OPEB

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, information about the fiduciary net position of the Vermont State Teachers' Retirement System (VSTRS) Plan and additions to/deductions from the VSTRS OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by VSTRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. As of June 30, 2021, the District has two types of this item, deferred outflows related to pensions and deferred outflows related to OPEB. These items are reported in the statement of net position.

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred revenues, which are reported in both the statement of net position and governmental funds balance sheet, qualifies for reporting in this category. Deferred inflows related to pensions and deferred inflows related to OPEB which arise only under an accrual basis of accounting, also qualify for reporting in this category. These items are only reported in the statement of net position. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

Nonspendable - This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Committed - This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the District. The inhabitants of the District through the Board of Commissioners meetings are the highest level of decision-making authority of the District. Commitments may be established, modified or rescinded only through a District meeting vote.

Assigned - This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is given through Vermont Statutes Annotated Title 16 §567 and expressed by the Board of Commissioners.

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unassigned - This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Board of Commissioners meeting vote has provided otherwise in its commitment or assignment actions.

The District has adopted a set of financial policies to guide the financial operation of the District. Included in the policies will be guidelines for accumulating and maintaining an operating position in certain budgeted governmental funds such that annual expenditures shall not exceed annual resources, including fund balances. Other funds shall be fully self-supporting to the extent that the fund balance or retained earnings of each fund shall be zero or greater.

Program Revenues

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services or privileges provided, operating or capital grants and contributions, including special assessments).

Operating/Nonoperating Proprietary Fund Revenues

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund's ongoing operations. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The School District uses encumbrance accounting for its general fund.

BURLINGTON SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

During the preparation of the School District’s financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits:

The School District’s investment policies, which follow state statutes, 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. These investment policies apply to all School District funds.

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the School District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The School District does not have a policy covering custodial credit risk.

At June 30, 2021, the School District’s cash balance of \$51,952,564 was comprised of bank deposits of \$52,879,512. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the District’s cash balance. Of these bank deposits, \$502,114 was fully insured by federal depository insurance and consequently was not exposed to custodial credit risk and \$52,532,248 of bank deposits was collateralized with an irrevocable standby letter of credit in the District’s name. The remaining deposits of \$95,150 were uninsured and uncollateralized.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$44,696,386
Money market account	8,183,126
	\$ 52,879,512

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the 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 District does not have a policy for custodial credit risk for investments.

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The 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.

Certificates of deposit held with local financial institutions for \$193,942 are excluded from interest rate risk as these investments are considered held to maturity and are therefore not measured at fair value.

At June 30, 2021, the District's investments of \$193,842 in certificates of deposit were fully insured by federal depository insurance and consequently were not exposed to custodial credit risk.

Credit risk - Statutes for the State of Vermont authorize the 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 District does not have an investment policy on credit risk. Generally, the District invests excess funds in savings accounts and various insured certificates of deposit.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2021 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General Fund	\$ 5,106,632	\$ 33,158,796
Debt Service Fund	962,504	-
Capital Projects Fund	28,667,347	-
Enterprise Funds	1,165,488	28,260
Nonmajor Funds	2,363,457	5,078,372
	\$ 38,265,428	\$ 38,265,428

BURLINGTON SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)

The result of amounts owed between funds are considered to be in the course of normal operations by the District. Reconciliation of the amounts owed between funds may or may not be expected to be repaid within one year in their entirety due to the recurring nature of these transactions during operations.

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2021 consisted of the following:

	Transfers In	Transfers Out
General Fund	\$ 626,551	\$ 701,230
Enterprise Funds	298,646	-
Nonmajor Funds	1,432,655	1,656,622
	\$ 2,357,852	\$ 2,357,852

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations.

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2021:

	Balance, 7/1/20	Additions	Disposals/ Transfers	Balance, 6/30/21
<u>Governmental activities:</u>				
Non-depreciated assets:				
Land	\$ 2,251,677	\$ -	\$ -	\$ 2,251,677
Construction in progress	552,473	227,651	(552,473)	227,651
	<u>2,804,150</u>	<u>227,651</u>	<u>(552,473)</u>	<u>2,479,328</u>
Depreciated assets:				
Buildings and improvements	65,168,980	3,595,030	-	68,764,010
Furniture and equipment	3,882,926	244,960	(122,211)	4,005,675
Vehicles	1,660,595	139,253	(568,453)	1,231,395
	<u>70,712,501</u>	<u>3,979,243</u>	<u>(690,664)</u>	<u>74,001,080</u>
Less accumulated depreciation:				
Buildings and improvements	(19,711,845)	(1,735,407)	-	(21,447,252)
Furniture and equipment	(3,333,785)	(130,401)	122,211	(3,341,975)
Vehicles	(1,171,251)	(151,158)	558,670	(763,739)
	<u>(24,216,881)</u>	<u>(2,016,966)</u>	<u>680,881</u>	<u>(25,552,966)</u>
Net depreciated assets	<u>46,495,620</u>	<u>1,962,277</u>	<u>(9,783)</u>	<u>48,448,114</u>
Net governmental capital assets	<u>\$ 49,299,770</u>	<u>\$ 2,189,928</u>	<u>\$ (562,256)</u>	<u>\$ 50,927,442</u>
<u>Business-type activities:</u>				
Depreciated assets:				
Furniture, fixtures and equipment	\$ 141,202	\$ 34,110	\$ -	\$ 175,312
	<u>141,202</u>	<u>34,110</u>	<u>-</u>	<u>175,312</u>
Less accumulated depreciation:				
Furniture, fixtures and equipment	(53,921)	(25,949)	-	(79,870)
	<u>(53,921)</u>	<u>(25,949)</u>	<u>-</u>	<u>(79,870)</u>
Net business-type capital assets	<u>\$ 87,281</u>	<u>\$ 8,161</u>	<u>\$ -</u>	<u>\$ 95,442</u>
<u>Depreciation expense:</u>				
Education				\$ 2,016,966
Food service				25,949
Total depreciation expense				<u>\$ 2,042,915</u>

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - LONG TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2021:

	Balance, 7/1/20 (Restated)	Additions	Deletions	Balance, 6/30/21	Current Portion
<u>Governmental activities:</u>					
Bonds and bond premium payable	\$ 44,490,974	\$ -	\$ (1,761,166)	\$ 42,729,808	\$ 1,695,000

The following is a summary of bonds payable:

<u>Governmental activities:</u>	<u>Principal</u>	<u>Premium</u>	<u>Total</u>
\$9,700,000, 2010 Qualified School Construction Bond (QSCB) due in semiannual interest installments through November 2026. Interest is charged at a fixed rate of 6.50% per annum. Semiannual interest installments are \$315,250.	\$ 9,700,000	\$ -	\$ 9,700,000
\$2,000,000, 2010 Qualified School Construction Bond (QSCB) due in semiannual interest installments through November 2026. Interest is charged at a rate of 6.50% per annum. Semiannual interest installments are \$65,000.	2,000,000	-	2,000,000
\$2,000,000, 2011 General Obligation Bond due in annual installments and semiannual interest installments through November 2031. Interest is charged at a rate varying from 2.00% to 4.75% per annum. Annual principal installments vary from \$60,000 to \$145,000.	1,280,000	-	1,280,000
\$440,000, 2012 General Obligation Bond unrefunded amount of refunded 2012 bonds due in annual installments and semiannual interest installments through June 2023. Interest is charged at a rate of 5.00% per annum. Annual principal installments vary from \$140,000 to \$155,000.	300,000	138,651	438,651
\$2,000,000, 2013 General Obligation Bond due in annual installments and semiannual interest installments through November 2033. Interest is charged at a rate varying from 4.00% to 6.75% per annum. Annual principal installments vary from \$52,857 to \$170,000.	-	3,553	3,553
\$2,000,000, 2014 General Obligation Bond due in annual installments and semiannual interest installments through November 2034. Interest is charged at a rate varying from .513% to 3.993% per annum. Annual principal installments are \$100,000.	1,400,000	-	1,400,000
\$230,000, 2015 General Obligation Bond unrefunded amount of refunded 2015 bonds due in annual installments and semiannual interest installments through June 2023. Interest is charged at a rate of 5.00% per annum. Annual principal installments vary from \$75,000 to \$80,000.	155,000	-	155,000

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - LONG TERM DEBT (CONTINUED)

<u>Governmental activities (continued):</u>	<u>Principal</u>	<u>Premium</u>	<u>Total</u>
\$4,005,000, 2016 General Obligation Bond due in annual installments and semiannual interest installments through June 2028. Interest is charged at a rate varying from 2% to 5% per annum. Annual principal installments vary from \$85,000 to \$365,000.	2,405,000	353,598	2,758,598
\$2,000,000, 2016 General Obligation Bond due in annual installments and semiannual interest installments through June 2037. Interest is charged at a rate varying from 4% to 5% per annum. Annual principal installments vary from \$60,000 to \$150,000.	1,740,000	227,590	1,967,590
\$1,650,000, 2016 General Obligation Bond due in annual installments and semiannual interest installments through June 2030. Interest is charged at a rate varying from 2% to 5% per annum. Annual principal installments vary from \$60,000 to \$150,000.	1,400,000	157,141	1,557,141
\$2,300,000, 2017 General Obligation Bond due in annual installments and semi annual interest installments through November 2037. Interest is charged at a rate varying from 2% to 5% per annum. Annual payments vary from \$75,000 to \$175,000.	2,065,000	-	2,065,000
\$8,000,000, 2018 General Obligation Bond due in annual installments and semi annual interest installments through November 2038. Interest is charged at a fixed rate of 5% per annum. Annual payments vary from \$240,000 to \$615,000.	7,510,000	679,275	8,189,275
\$6,000,000, 2019 General Obligation Bond due in annual installments and semi annual interest installments through June 2040. Interest is charged at a fixed rate of 4% per annum. Annual principal payments vary from \$170,000 to \$440,000.	5,830,000	-	5,830,000
\$5,495,000, 2019 General Obligation Bond due in annual installments and semi annual interest installments through November 2035. Interest is charged at a fixed rate ranging from 1.844% to 3.031% per annum. Annual payments vary from \$100,000 to \$505,000.	5,385,000	-	5,385,000
Total Bonds Payable	<u>\$ 41,170,000</u>	<u>\$1,559,808</u>	<u>\$ 42,729,808</u>

BURLINGTON SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - LONG TERM DEBT (CONTINUED)

The annual principal and interest requirements to amortize the bonds are as follows:

<u>Year</u>	<u>Bond Principal</u>	<u>Bond Premium</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 1,695,000	\$ 136,166	\$ 1,983,658	\$ 3,814,824
2023	1,775,000	136,166	1,910,672	3,821,838
2024	1,765,000	136,166	1,835,575	3,736,741
2025	1,855,000	136,166	1,760,172	3,751,338
2026	1,830,000	136,166	1,597,959	3,564,125
2027-2031	20,095,000	490,002	3,459,171	24,044,173
2032-2036	6,860,000	294,837	1,500,134	8,654,971
2037-2041	5,295,000	94,139	891,975	6,281,114
	<u>\$ 41,170,000</u>	<u>\$ 1,559,808</u>	<u>\$ 14,939,316</u>	<u>\$ 57,669,124</u>

In 2010, the District issued Series 2010A and 2010B Public Improvement Qualified School Construction Bonds totaling \$11,700,000. Annual principal payments on the bonds are required to be deposited into a sinking fund held by the District. The deposits and the interest earned on those deposits will be used to make the principal payment in November 2026.

These bonds are also eligible for federal interest subsidy payments equal to 92.9% of the true interest cost of the bond as provided in the American Recovery and Reinvestment Act (ARRA) and the Hiring Incentives to Restore Employment (HIRE) Act.

Due to mandatory federal spending cuts that went into effect March 1, 2013 with sequestration, the federal interest subsidy payments are being adjusted downward. The current sequestration reduction rate is 5.7% and is subject to change at any time. The total financial impact to the District is unknown.

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.

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 - OTHER LONG-TERM OBLIGATIONS

The following is a summary of changes in the other long-term obligations for the year ended June 30, 2021:

	Balance, 7/1/20	Additions	Deletions	Balance, 6/30/21	Current Portion
Accrued compensated absences	\$ 2,863,805	\$ -	\$ (130,982)	\$ 2,732,823	\$ 409,923
Net pension liability	8,283,736	5,032,330	(3,518,196)	9,797,870	-
Net OPEB liability	5,714,402	1,033,758	(141,645)	6,606,515	-
	<u>16,861,943</u>	<u>\$ 6,066,088</u>	<u>\$ (3,790,823)</u>	<u>19,137,208</u>	<u>\$ 409,923</u>

Please see Notes 8, 15 and 16 for more detailed information on each of these long-term obligations.

NOTE 8 - ACCRUED COMPENSATED ABSENCES

The District's policies regarding sick leave, does permit employees to accumulate earned but unused sick leave. The liability for these compensated absences is recorded as a long-term obligation in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2021, the District's liability for compensated absences is \$2,732,823.

NOTE 9 - LETTER OF CREDIT

At June 30, 2021, the District had an outstanding irrevocable standby letter of credit issued by the Federal Home Loan Bank of Pittsburgh serving as collateral for its deposits held at TD, Bank, N.A. The letter of credit, which expires at the close of business on August 4, 2021, authorizes one draw only, up to the amount of \$60,000,000. There were no draws for the year ended June 30, 2021.

NOTE 10 - SHORT-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2021:

	Balance, 7/1/20	Additions	Reductions	Balance, 6/30/21
Bond anticipation note	\$ -	\$ 22,000,000	\$ -	\$ 22,000,000

BURLINGTON SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 10 - SHORT-TERM DEBT (CONTINUED)

In July of 2020, the City of Burlington issued a bond anticipation note through TDBank to provide liquidity for capital projects at the School District. The bond anticipation note allowed principal draws up to \$22,000,000.00 at 0.72% fixed interest per annum with a maturity date of October 19, 2021. On October 19, 2021, the bond anticipation note was paid in full. Interest expense for the note was \$139,200.

NOTE 11 - RESTRICTED NET POSITION AND FUND BALANCES

At June 30, 2021, the District had the following restricted net position and fund balances:

Debt service fund	\$ 9,145,630
Capital projects fund	6,594,805
Nonmajor special revenue funds:	
IDEA B flow thru	9,704
Title I school improv	299
Title III english lang	10,469
RTT - PK development	102,751
21st century schools	5,298
Title IIA	975
Medicaid IEP reimbursement	1,899,107
Medicaid EDPSDT	186,134
School-wide programs	14,227
Small grant fund	52,435
Stars bonus	9,170
VT refugee children	2,018
Nellie Mae grant	3,638
Digital promise grant	101,027
The verizon foundation	24,866
Youthbuild (HOEHL)	21,000
EMS teach tolerance	2,627
Nonmajor permanent funds:	
Margot E. Reed fund	4,825
Raymond E. Tracy estate fund	20,437
School land rent Glebe fund	475
	\$ 18,211,917

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12 - NONSPENDABLE FUND BALANCE

At June 30, 2021, the District had the following nonspendable fund balance:

General fund:	
Prepaid items	<u><u>\$ 220,400</u></u>

NOTE 13 - COMMITTED FUND BALANCES

At June 30, 2021, the District had the following committed fund balances:

General fund:	
BAS afterschool fees	\$ 580,254
E-rate	336,228
String program	23,907
Programming and facilities	1,825,000
Driver Education	87,224
Taft building lease	1,071,637
DOJ resource plan	150,000
DtBHS site improvements	250,000
BHS/BTC pre-bond work	250,000
Buck Hard field refurbishment	650,000
Equity leadership development and coaching	200,000
Use for FY 22 budget	<u>4,175,000</u>
	<u><u>\$ 9,599,250</u></u>

BURLINGTON SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 14 - DEFICIT NET POSITION AND FUND BALANCES

At June 30, 2021, the District had the following deficit net position and fund balances:

Enterprise fund:	
Continuing ed night	\$ 25,385
Nonmajor special revenue funds:	
Title I grant	26,717
Perkins second adult rsrv	1,636
Title IV SSAE	1,116
Rowland foundation	7,498
Safety and security	162,604
Dept of hlth ADAP	40,000
Flexible pathways	20,444
BTC prg innovation	4,595
	\$ 289,995

NOTE 15 - DEFINED BENEFIT PENSION PLANS

VERMONT STATE TEACHERS' RETIREMENT SYSTEM

Plan Description

All of the teachers employed by the School District participate in the Vermont State Teachers' Retirement System ("VSTRS"), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, covering nearly all public day school and nonsectarian private Union teachers and administrators as well as teachers in schools and teacher training institutions within and supported by the State of Vermont that are controlled by the State Board of Education. Membership in the system for those covered classes is a condition of employment. During the year ended June 30, 2019 (the most recent period available), the retirement system consisted of 22,951 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.

BURLINGTON SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service. The Vermont State Agency of Administration issues a publicly available Annual Comprehensive Financial Report that includes financial statements and required supplementary information for the VSTRS. That report may be viewed on the State's Department of Finance and Management website at: Annual Comprehensive Financial Report | Department of Finance and Management (vermont.gov).

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 are summarized below:

BURLINGTON SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

VSTRS	Group A	Group C – Group # 1	Group C – Group # 2
Normal service retirement eligibility (no reduction)	Age 60 or 30 years of service	Age 62 or with 30 years of service	Age 65 or when the sum of age and service equals 90
Average Final Compensation (AFC)	Highest 3 consecutive years, including unused annual leave, sick leave and bonus/incentives	Highest 3 consecutive years, excluding all payments for anything other than service actually performed	Highest 3 consecutive years, excluding all payments for anything other than service actually performed
Benefit formula – normal service retirement	1.67% x creditable service x AFC	1.25% x service prior to 7/1/90 x AFC + 1.67% x service after 7/1/90 x AFC	1.25% x service prior to 7/1/90 x AFC + 1.67% x service after 7/1/90 x AFC, 2.0% after attaining 20 years
Maximum Benefit Payable	100% of AFC	53.34% of AFC	60% of AFC
Post-Retirement COLA	Full CPI, up to a maximum of 5% after 12 months of retirement; minimum of 1%	50% CPI, up to a maximum of 5% after 12 months of retirement or with 30 years; minimum of 1%	50% CPI, up to a maximum of 5%, minimum of 1% after 12 months of normal retirement or age 65
Early Retirement Eligibility	Age 55	Age 55 with 5 years of service	Age 55 with 5 years of service
Early Retirement Reduction	Actuarial reduction	6% for each year prior to age 62	Actuarial reduction

Other post-employment benefits are available to all plan members include the following:

VSTRS	Group A	Group C - Group # 1	Group C - Group # 2
Medical Benefits	Health subsidy based on member's service credit	Health subsidy based on member's service credit	Health subsidy based on member's service credit
Dental	Members pay full premium	Members pay full premium	Members pay full premium

BURLINGTON SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Contributions

VSTRS is a cost-sharing public employee retirement system with one exception: all risks and costs are not shared by the School District but are the liability of the State of Vermont. VSTRS is funded through State and employee contributions and trust fund investment earnings; and the School District has no legal obligation for paying benefits. Required contributions to the System are made by the State of Vermont based upon a valuation report prepared by the System’s actuary, which varies by plan group. The Vermont State Teachers Retirement System estimates the contributions on behalf of the School District’s employees included in the teacher’s retirement plan which approximates \$7,093,826 or 19.00% 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; contributions stop after 25 years of creditable service	5.0% of gross salary with 5 or more years of service as of 7/1/14; 6.0% of gross salary if less than 5 years of service as of 7/1/14	5.0% of gross salary with 5 or more years of service as of 7/1/14; 6.0% of gross salary if less than 5 years of service as of 7/1/14

Employee contributions totaled \$1,866,796 during the year and were paid by the School District to the State of Vermont. The School District has no other liability under the plan. The School District’s total payroll for all employees covered under this plan was \$37,335,924 for the year ended June 30, 2021. 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, 2021 were \$264,128. The Supervisory Union’s total payroll for all federally funded employees covered under this plan was \$1,390,147 for the year ended June 30, 2021.

Pension Liabilities

VSTRS Plan

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

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

June 30, 2021. The State's portion of the collective net pension liability that was associated with the School District was as follows:

School District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		89,906,447
Total	\$	89,906,447

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, 2020, 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, 2020, the School District's proportion was 4.607921% which was an increase of 0.022371% from its proportion measured as of June 30, 2019.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the School District recognized total pension expense of \$13,232,826 and revenue of \$13,232,826 for support provided by the State of Vermont for the VSTRS plan. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	VSTRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	-	-
	-	-
Total	\$ -	\$ -

BURLINGTON SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

	VSTRS Plan	
Plan year ended June 30:		
2021	\$	-
2022		-
2023		-
2024		-
2025		-
Thereafter		-

Significant Actuarial Assumptions and Methods

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using the actuarial assumptions outlined below.

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

Inflation: 2.30%

Salary Increases: Ranging from 3.30% to 10.50%

Deaths After Retirement: 98% of RP-2006 White Collar Employee Table with generational projection using scale SSA-2017, 98% of RP-2006 White Collar Annuitant Table with generational projection using scale SSA-2017 for healthy and RP-2006 Disabled Mortality Table with generational projection using scale SSA-2017 for disabled post-retirement..

Inactive Members: Valuation liability for the VSTRS plan equals 100% of accumulated contributions. Inactive members who are vested immediately become Deferred Members and the liabilities for all Deferred Members are based on accrued benefit.

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

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

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Spouse's Age: Husbands are assumed to be three years older than their wives.

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, 2020 and January 1, 2021 COLAs are 1.60% and 0.00%, respectively, for Group A and 1.00% and 1.00%, respectively for Group C.

Amortization method: Amortization payments are calculated to fully fund unfunded actuarial accrued liability with annual increases of 3% over a closed period. The remaining amortization period is 20 years as of July 1, 2018.

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.

BURLINGTON SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	29.00%	7.07%
US Equity - Large Cap	4.00%	6.19%
US Equity - Small/Mid Cap	3.00%	6.93%
Non-US Equity - Large Cap	5.00%	7.01%
Non-US Equity - Small Cap	2.00%	7.66%
Emerging Markets Debt	4.00%	3.66%
Core Bonds	20.00%	0.39%
Private and Alternative Credit	10.00%	6.03%
US TIPS	3.00%	-0.20%
Core Real Estate	5.00%	4.06%
Non-Core Real Estate	3.00%	6.43%
Private Equity	10.00%	11.27%
Infrastructure/Farmland	2.00%	5.44%

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 System members. The assumed discount rate has been determined in accordance with the method prescribed by GASB 68.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.00% for the VSTRS plan, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

BURLINGTON SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
<u>VSTRS:</u>			
Discount rate	6.00%	7.00%	8.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -

Pension Plan Fiduciary Net Position

The schedule of employer allocations and schedule of pension amounts by employer are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The schedules present amounts that are elements of the financial statements of VSTRS or their participating employers VSTRS does not issue a stand-alone financial report, but instead are included as part of the State of Vermont's Annual Comprehensive Financial Report. That report can be viewed on the State's Department of Finance and Management website at: Annual Comprehensive Financial Report | Department of Finance and Management (vermont.gov).

BURLINGTON EMPLOYEES' RETIREMENT SYSTEM

Plan Description

The Burlington Employees' Retirement System (the System) is a cost sharing, single employer defined benefit pension plan which provides retirement benefits to the City of Burlington, Vermont (the City). Because of the significance of its operational and financial relationship with the City, the System is included as a pension trust fund in the City's basic financial statements. For further financial and actuarial information about the System, refer to the City's financial statements, which may be obtained online at www.burlingtonvt.gov or by contacting the City at (802) 865-7000.

Substantially all employees of the City (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) are members of the System. Eligible employees must participate in the System. The plan is broken down into Class A participants and Class B participants. Class A participants are composed of firemen and policemen not including clerical employees. Class B participants include all other covered City employees.

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.

BURLINGTON SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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.

The following is a summary of the System participants as of June 30, 2020:

Inactive members or beneficiaries currently receiving Benefits	767
Active members	880
Inactive members or beneficiaries entitled to but not yet receiving benefits	<u>627</u>
Total	<u><u>2,274</u></u>

Benefits Provided

Benefits available to Group B, in which certain District employees participate, are based on average final compensation (AFC) and years of creditable service and are summarized below:

Average Final Compensation (AFC):

For Class A Fire employees hired after October 7, 2011 or Class B AFSCME Local 1343 employees hired after June 7, 2011 or Class B IBEW Local 300 employees hired after October 30, 2012, it is the average earnable compensation during the highest 5 non-overlapping 12-month periods. For all others, it is the average earnable compensation during the highest 3 non-overlapping 12-month periods.

Eligibility:

Class B: Age 55 and 5 years of creditable service.

Amount of Benefit:

Class B:

For employees hired prior to July 1, 2006: Age 65 and older, the greater of (i) 1.60% of AFC (at age 65) times creditable service not in excess of 25 years plus 0.50% of AFC (at age 65) times creditable service in excess of 25 years or (ii) the actuarial equivalent of the benefit determined at age 65. This benefit will be increased by the Cost of Living Adjustment detailed below.

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

For employees hired on or after July 1, 2006: Age 65 and older, the greater of (i) 1.40% of AFC (at age 65) times creditable service not in excess of 25 years plus 0.50% of AFC (at age 65) times creditable service in excess of 25 years or (ii) the actuarial equivalent of the benefit determined at age 65. This benefit will be increased by the Cost of Living Adjustment detailed below.

In lieu of this benefit, at the time of retirement, a member may choose (i) an accrual rate of 1.9% for all years of service prior to June 30, 2006 for the first 25 years, an accrual rate of 1.8% for all years of service commencing July 1, 2006 for the first 25 years, plus an accrual of 0.5% for creditable service in excess of 25 years and a Cost of Living Adjustment equal to one-half of the Cost of Living Adjustment detailed below or (ii) an accrual rate of 2.2% for all years of service prior to June 30, 2006 for the first 25 years, an accrual rate of 2.0% for all years of service commencing July 1, 2006 for the first 25 years, plus an accrual of 0.5% for creditable service in excess of 25 years and no Cost of Living Adjustment.

Except for employees detailed below, prior to age 65, the above benefit based on AFC and creditable service at retirement reduced by 2% for each year that retirement precedes age 65. For Class B IBEW employees hired before May 4, 2008, who elect a contribution rate of 4% is elected the early reduction factor is 2% for each year the retirement precedes age 65. For Class B IBEW employees hired before May 1, 2008, who elect a contribution rate of 3% the benefit is reduced by a factor which varies with age. The factor equals 1 at 65 and 0.4 at 50.

For Class B IBEW employees hired after May 4, 2008, the benefit is reduced by a factor which varies by age. The factor equals 1 at 65 but is equal to 0.356 at age 55.

For Class B AFSCME Local 1343 employees hired before January 1, 2006 that meet the Rule of 82 by December 7, 2011 but retire later than December 7, 2011, the reduction is 4% per year at ages 55 to 59 for each year under age 65 and the standard 2% per year reduction for ages 60 to 65. For other Class B AFSCME Local 1343 employees retiring after December 7, 2011, there will be full actuarial reduction from ages 55 to 59 and the standard 2% per year reduction for ages 60 to 65.

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Contributions

Participants contribute a set percentage of their gross regular compensation annually. Class B participants, who elected to continue to be eligible for early retirement benefits at 2% per year deduction between ages 55 and 65, in accordance with the 2006-2009 collective bargaining agreement will 5.2% beginning with fiscal year 2019. All other Class B participants will be 4.2%

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

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

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

Such withholdings for the year ended June 30, 2021 totaled \$458,925.

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. The District contributed \$1,164,942 for the year ended June 30, 2021. The District's total payroll for the year ended June 30, 2021 for all employees covered under this plan was \$9,827,083.

Net Pension Liability, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the District reported a liability of \$9,797,870 for its proportionate share of the net pension liability for the System. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability is equal to the total net pension liability multiplied by each employer's proportionate share of the total contributions made to the System for the year ended June 30, 2020.

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

At June 30, 2020, the District’s proportion was 9.9387% for the System, which was an increase of 0.01066% from its proportion measured as of June 30, 2019 for the System.

For the year ended June 30, 2021, the District recognized total pension expense of \$1,150,463. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 301,436	\$ 36,123
Changes of assumptions	254,763	186,571
Net difference between projected and actual earnings on pension plan investments	713,717	-
Changes in proportion and differences between contributions and proportionate share of contributions	91,649	53,761
Total	\$ 1,361,565	\$ 276,455

\$0 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan year ended June 30:	
2022	\$ 86,191
2023	529,683
2024	278,420
2025	190,816
Thereafter	-

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Significant Actuarial Assumptions and Methods

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the most recent actuarial experience study for the five-year period ending June 30, 2017.

The net pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2018 rolled forward from June 30, 2017 using the actuarial assumptions outlined below:

Actuarial Cost Method: Entry Age Normal - Level Percentage of Salary

Investment Rate of Return: 7.30%

Inflation Rate: 2.60%

Post-Employment Cost-of-Living Adjustment: Increases averaging 3.00% - 10.00% (including inflation) per year were assumed.

Assumed Annual Rates of Salary Increases: 3.50% - 10.00% including inflation

Mortality Rates: were based on the RP-2014 Adjusted to 2006 Total Dataset Mortality tables projected to the valuation date with Scale MP-2020.

Asset Valuation Method: Invested assets are reported at fair value.

Actuarial valuation of the ongoing System involves estimates of the reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Long-term Expected Rate of Return

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

BURLINGTON SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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
Large cap core equity	30.0%	7.5%
SMID cap core equity	18.0%	10.2%
International equity	10.0%	5.5%
Emerging markets equity	10.0%	10.1%
Private equity	2.0%	10.9%
Real estate/Timber	10.0%	8.4%
Core fixed income	20.0%	3.3%
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumed that 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 District's Proportionate Share 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 7.30%, as well as what the System's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.30%) or 1 percentage-point higher (8.30%) than the current rate:

	1% Decrease	Discount Rate	1% Increase
Discount rate	6.30%	7.30%	8.30%
School District's proportionate share of the net pension liability	\$ 13,138,655	\$ 9,797,870	\$ 7,000,533

BURLINGTON SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Pension Plan Fiduciary Net Position

The schedules of employer allocations and schedules of pension amounts by employer (the Schedules) are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The Schedules present amounts that are elements of the financial statements of Burlington Employees' Retirement System or its participating departments. Accordingly, they do not purport to be a complete presentation of the net position or changes in net position of Burlington Employees' Retirement System or its participating departments. The System does not issue stand-alone financial reports, but instead are included as part of the City of Burlington, Vermont's Annual Comprehensive Annual Financial Report (ACFR). The ACFR can be viewed on the City's website at: www.burlingtonvt.gov.

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS

VERMONT STATE TEACHERS' RETIREMENT SYSTEM

Plan Description

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

The plan covers nearly all public day school and nonsectarian private high school teachers and administrators as well as teachers in schools and teacher training institutions within and supported by the State that are controlled by the State Board of Education. Membership in the system for those covered classes is a condition of employment. During the year ended June 30, 2019, the plan consisted of 6,878 retired members or beneficiaries currently receiving benefits and 9,892 active members.

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

BURLINGTON SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

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

Benefits Provided

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

Contributions

Varying levels of contributions are required from retirees and spouses for medical and prescription drug coverage at the following premium subsidy rates:

	Retiree Subsidy	Spouse Subsidy*		
Retired before June 30, 2010	At least ten years of service- 80% of premium Less than ten years of service- 0% of premium	0% of premium		
Retired after June 30, 2010	10 years or more of service at June 30, 2010-80% of premium	Years of service at June 30, 2010 -80% of premium if meet the following years of service at retirement requirement:		
	Less than 10 years of service at June 30, 2010:			
	Less than 15 years at retirement	0% of premium	Less than 10 years	25 years at retirement
	15-19.99 years at retirement	60% of premium	10-14.99 years	25 years at retirement
	20-24.99 years at retirement	70% of premium	15-24.99 years	10 additional years from June 30, 2010
	25 years or more at retirement	80% of premium	25-29.99 years	35 years at retirement
		30 or more years	5 additional years from June 30, 2010	

* Spouses of retirees who do not meet the requirements for an 80% subsidy can receive unsubsidized coverage

BURLINGTON SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

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.

Retirees pay full cost of dental benefits.

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 No. 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, 2021. The State's portion of the collective net OPEB liability that was associated with the District was as follows:

School District's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the School District	<u>50,334,572</u>
Total	<u>\$ 50,334,572</u>

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, 2020, 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, 2020, the District's proportion was 3.99671% which was an increase of 0.00788% from its proportion measured as of June 30, 2019.

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

For the year ended June 30, 2021, the District recognized total OPEB expense of \$5,293,465 and revenue of \$5,293,465 for support provided by the State of Vermont for the Plan. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

BURLINGTON SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

	<u>VSTRS OPEB Plan</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	-	-
	<hr/>	<hr/>
Total	<u>\$ -</u>	<u>\$ -</u>

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

	<u>VSTRS OPEB Plan</u>	
Plan year ended June 30:		
2021	\$ -	-
2022	-	-
2023	-	-
2024	-	-
2025	-	-
Thereafter	-	-

Discount Rate

The discount rate is the single rate of return, that when applied to all projected benefit payments, results in an actuarial present value that is the sum of the actuarial present value of projected benefit payments projected to be funded by plan assets using a long term rate of return and the actuarial present value of projected benefit payments that are not included in (1) using a yield or index rate for 20 year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The sensitivity of net OPEB liability to changes in discount rate are as follows:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
VSTRS OPEB Plan: Discount rate	1.21%	2.21%	3.21%
School District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -

BURLINGTON SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

Healthcare Trend Rate

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

	1% Decrease		Healthcare Trend Rates		1% Increase
School District's proportionate share of the net OPEB liability	\$	-	\$	-	\$
					-

Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of June 30, 2020, 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 a closed 30-year period. The amortization method is a level percent of payroll method.

Asset Valuation Method

The Asset Valuation Method used is market value as of the measurement date.

The long-term expected rate of return on OPEB plan investments are developed for each major asset class. These returns are 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.

BURLINGTON SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

The target allocation, long-term expected rates of return for each major asset class and expected inflation, as of June 30, 2020, are summarized below:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large cap equity	20.00%	7.25%
International equity	15.00%	9.00%
Emerging international equity	5.00%	11.25%
Core bonds	60.00%	2.50%
Inflation		2.00%
Total	100.00%	

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, 2020, they are as follows:

Discount Rate	2.21%
Salary Increase Rate	Varies by age
Non-Medicare	6.925% graded to 4.50% over 11 years
Medicare	6.140% graded to 4.50% over 12 years
Retiree Contributions	Equal to health trend
Pre-retirement Mortality	PubT-2010 Teacher Employee Headcount-Weighted Table with generational projection using scale MP-2019
Post-retirement Mortality	Retirees: PubT-2010 Teacher Healthy Retiree Headcount-Weighted Table Spouses: 109 % of the Pub-2010 Contingent Survivor Headcount-Weighted Table, both Retirees and Spouses with generational projection using scale MP-2019

Changes in Net OPEB Liability

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2020 with the following exceptions:

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

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 remaining was twenty-eight years as of July 1, 2020. For the fiscal year ended June 30, 2020, the discount rate was decreased from 3.50% to 2.21%.

OPEB Plan Fiduciary Net Position

The schedule of employer allocations and schedule of OPEB amounts by employer are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The schedules present amounts that are elements of the financial statements of VSTRS or their participating employers. VSTRS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont's Comprehensive Annual Financial Report. That report can be viewed on the State's Department of Finance and Management website at: Annual Comprehensive Financial Report | Department of Finance and Management (vermont.gov).

BURLINGTON EMPLOYEES' RETIREMENT SYSTEM

Plan Description

The Burlington Employees' Retirement System (the System) is a cost sharing, single employer defined benefit pension plan which provides retirement benefits to the City of Burlington, Vermont (the City). Because of the significance of its operational and financial relationship with the City, the System is included as a pension trust fund in the City's basic financial statements. For further financial and actuarial information about the System, refer to the City's financial statements, which may be obtained online at www.burlingtonvt.gov or by contacting the City at (802) 865-7000.

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.

In addition to providing pension benefits, the District provides post-employment healthcare insurance benefits for retired employees through the Burlington School District's plan. The plan does not issue a separate financial report.

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

Benefits Provided

The District 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 to the District. 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 District 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

BURLINGTON SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

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, 2021, the following employees were covered by the benefit terms:

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

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

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

At June 30, 2021, the District reported a liability of \$6,606,515 for its total OPEB liability for this Plan. The total OPEB liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.

For the year ended June 30, 2021, the District recognized OPEB expense of \$560,687. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	System OPEB Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 166,332	\$ 269,810
Changes of assumptions	<u>302,278</u>	<u>365,167</u>
Total	<u><u>\$ 468,610</u></u>	<u><u>\$ 634,977</u></u>

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

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

	<u>System OPEB Plan</u>	
Plan year ended June 30:		
2022	\$	(97,151)
2023		(97,148)
2024		(20,059)
2025		(66,214)
2026		38,034
Thereafter		76,071

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, 2021. The discount rate determination is based on the yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The rate of 2.19% per annum for June 30, 2021 was based upon a measurement date of June 30, 2021. The sensitivity of total and net OPEB liability to changes in discount rate are as follows:

	1% Decrease	Discount Rate	1% Increase
	1.19%	2.19%	3.19%
Total OPEB liability	\$ 6,989,872	\$ 6,606,515	\$ 6,227,887
Plan fiduciary net position	-	-	-
Net OPEB liability	\$ 6,989,872	\$ 6,606,515	\$ 6,227,887
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

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 total and net OPEB liability to changes in healthcare cost trend rates are as follows:

BURLINGTON SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 5,834,164	\$ 6,606,515	\$ 7,514,429
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 5,834,164</u>	<u>\$ 6,606,515</u>	<u>\$ 7,514,429</u>

Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
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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, 2021 based on an actuarial valuation date of June 30, 2021. Liabilities as of July 1, 2020 are based on an actuarial valuation date of July 1, 2020 with no adjustments.

Discount rate: 2.19% as of June 30, 2021 and 2.66% for July 1, 2020.

Experience study

Best actuarial practices call for a periodic assumption review and Nyhart recommends the School District to complete an actuarial assumption review (also referred to as an experience study). The actuarial assumptions have been updated as of June 30, 2018.

Health care trend rates

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

Inflation rate: 2.3% per year

BURLINGTON SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS (CONTINUED)

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

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

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

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

Payroll growth:

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

Age	Teachers / Admin	YO S	Non- Teachers
20	8.20%	0	4.30%
30	4.20%	5	2.40%
40	3.00%	10	1.90%
50	1.90%	15	1.50%
60	1.25%	20+	1.20%
70+	1.00%		

Benefit changes

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

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to this Plan can be found at the School District at 150 Colchester Avenue, Burlington, Vermont 05401.

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 17 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets; errors and omissions and injuries to employees.

The School District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the School District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 18 - CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management cannot determine at this time, whether or not such settlement amounts, if any, would have a material adverse effect on the School District's financial position.

The School District participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the School District's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

On June 2, 2021, the United States Court of Appeals ruled to invalidate the State of Vermont's prohibition on the use of public funds for tuition to religious schools. In addition, the Vermont Board of Education has determined that Districts may pay tuition at the allowable rate to religiously affiliated schools in fiscal year 2022. There have been no lawsuits or claims to date that management has been made aware of concerning fiscal year 2021 tuition payments. However, management believes that any potential future liabilities concerning fiscal year 2021 tuition payments would not have a materially adverse impact on the District's financial position.

NOTE 19 - RESTATEMENTS

The net position of the governmental activities and the governmental funds have both been restated at July 1, 2020 to account for the reclassification of funds from fiduciary to governmental as required by the implementation of GASB Statement No. 84, "Fiduciary Activities". The beginning governmental activities net position and the beginning special revenue funds were both restated by \$106,074. The resulting restatements increased governmental activities net position from \$21,659,470 to \$21,765,544 and increased special revenue funds total fund balance from \$2,469,437 to \$2,575,511.

BURLINGTON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 19 - RESTATEMENTS (CONTINUED)

Additionally, in 2021, the District determined that certain transactions were recorded incorrectly or omitted, therefore, restatements were required to fund balances and net position for governmental and business-type activities.

The governmental activities net position and the general fund total balance were restated by a net decrease of \$76,401. This restatement reflects increases to include the Vocational fund and due from other governments, as well as a decrease for corrections to interfund accounts. The governmental activities net position and the nonmajor special revenue funds total fund balance were restated by a decrease of \$1,260 to correct CRF Summer Service and Perkins Second Adult Rsrv funds from \$2,575,511 to \$2,574,251. The vocational fund was restated from \$606,823 to \$0 to include that activity in the general fund.

The beginning net position for governmental activities was also restated by a decrease of \$670,00 to include unrefunded bonds payable which had been removed in error during the refunding process. The resulting restatements to the governmental activities net position was a decrease of \$1,248,410 from \$21,659,470 to \$20,411,060.

The business-type activities was restated by an increase of \$19,852 to correct the interfund account in the food service fund. This restated the aggregate business-type activities from \$1,471,761 to \$1,491,613

NOTE 20 - SUBSEQUENT EVENTS

On October 19, 2021, the School District issued payment to pay the outstanding bond anticipation note in full within the terms of the note.

Also in October of 2021 the School District issued a \$2,000,000 bond for capital projects through the TDBank with a maturity date of November of 2041.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Schedule of Proportionate Share of the Net Pension Liability - VSTRS
- Schedule of Contributions - VSTRS
- Schedule of Changes in Net Pension Liability and Related Ratios - Burlington Employees' Retirement System
- Schedule of Contributions - Burlington Employees' Retirement System
- Schedule of Investment Returns - Burlington Employees' Retirement System
- Schedule of Proportionate Share of the Net OPEB Liability - VSTRS
- Schedule of Contributions - VSTRS OPEB
- Schedule of Changes in Net OPEB Liability - Burlington Employees' Retirement System OPEB Plan
- Schedule of Changes in Net OPEB Liability and Related Ratios - Burlington Employees' Retirement System OPEB Plan
- Notes to Required Supplementary Information

BURLINGTON SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, Restated	\$ 10,189,898	\$ 10,189,898	\$ 10,189,898	\$ -
Resources (Inflows):				
Intergovernmental:				
General state support	67,402,022	67,402,022	67,402,022	-
Other	10,522,368	10,522,368	10,540,041	17,673
Charges for services	46,425	46,425	-	(46,425)
Interest income	625,000	625,000	672,044	47,044
Miscellaneous	58,000	58,000	100,850	42,850
Non-Fund 1001 Revenue	4,178,753	4,178,753	3,744,954	(433,799)
Transfers from other funds	650,000	650,000	626,551	(23,449)
Amounts Available for Appropriation	93,672,466	93,672,466	93,276,360	(396,106)
Charges to Appropriations (Outflows):				
Current:				
Regular instruction	30,675,290	30,675,290	32,011,062	(1,335,772)
Special education instruction	14,308,591	14,308,591	13,885,210	423,381
Other instructional programs	923,385	923,385	955,423	(32,038)
Student support services	6,268,494	6,268,494	6,304,832	(36,338)
Staff support services	3,863,204	3,863,204	3,532,325	330,879
General administration	780,492	780,492	771,554	8,938
School administration	3,648,038	3,648,038	3,804,989	(156,951)
Centralized services	2,250,067	2,250,067	2,034,739	215,328
Operations and maintenance	7,057,837	7,057,837	6,911,505	146,332
Transportation services	1,442,745	1,442,745	980,678	462,067
Employee benefits	551,824	551,824	550,093	1,731
Community services	-	-	47,008	(47,008)
Debt service:				
Principal	2,295,000	2,295,000	1,625,000	670,000
Interest	2,612,326	2,612,326	2,093,523	518,803
Transfers to other funds	875,500	875,500	701,230	174,270
Total General Fund Expenditures	77,604,042	77,604,042	76,378,161	1,225,881
Non-Fund 1001 expenditures	3,473,379	3,473,379	3,578,549	(105,170)
Total Charges to Appropriations	81,077,421	81,077,421	79,956,710	1,120,711
Budgetary Fund Balance, June 30	\$ 12,595,045	\$ 12,595,045	\$ 13,319,650	\$ 724,605
Utilization of fund balance	\$ 2,405,147	\$ 2,405,147	\$ -	\$ (2,405,147)

See accompanying independent auditors' report and notes to financial statements.

BURLINGTON SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - VSTRS
LAST 10 FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014
<u>VSTRS:</u>								
Proportion of the net pension liability School District's proportionate share of the net pension liability	4.61%	4.59%	4.49%	4.55%	4.66%	4.80%	4.94%	4.87%
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District Total	<u>89,906,447</u>	<u>71,563,284</u>	<u>67,882,065</u>	<u>67,400,147</u>	<u>60,991,444</u>	<u>56,961,562</u>	<u>47,328,006</u>	<u>\$ 49,254,692</u>
	<u>\$ 89,906,447</u>	<u>\$ 71,563,284</u>	<u>\$ 67,882,065</u>	<u>\$ 67,400,147</u>	<u>\$ 60,991,444</u>	<u>\$ 56,961,562</u>	<u>\$ 47,328,006</u>	<u>\$ 49,254,692</u>
Covered payroll	\$ 32,780,844	\$ 31,498,868	\$ 30,377,299	\$ 30,171,373	\$ 30,171,373	\$ 26,774,383	\$ 27,991,613	\$ 29,978,065
Proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	50.00%	54.96%	54.81%	53.98%	55.31%	58.22%	64.02%	60.59%

* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

BURLINGTON SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS - VSTRS
LAST 10 FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014
<u>VSTRS:</u>								
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 37,335,924	\$ 32,780,844	\$ 31,498,868	\$ 30,377,299	\$ 30,079,258	\$ 30,171,373	\$ 26,774,383	\$ 27,991,613
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

* The amounts presented for each fiscal year and are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

BURLINGTON SCHOOL DISTRICT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 BURLINGTON EMPLOYEES' RETIREMENT SYSTEM
 LAST 10 FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015
Total pension liability							
Service cost	\$ 647,339	\$ 632,897	\$ 647,457	\$ 589,104	\$ 738,866	\$ 796,849	\$ 637,539
Interest	2,030,985	1,957,652	1,937,547	1,941,074	2,533,671	2,348,193	1,991,416
Changes in benefit terms	-	-	(13,447)	-	(57,459)	(426,731)	-
Difference between actual and expected experience	8,435	73,418	131,657	(711,518)	963,221	2,070,219	(961,786)
Net difference between projected and actual earnings on pension plan investments	321,187	397,778	146,461	(1,605,291)	2,092,725	-	-
Changes of assumptions	198,493	124,347	69,450	257,146	-	144,790	-
Change in proportional share of contributions	(1,415,341)	(1,393,270)	(1,286,990)	(1,848,089)	234,479	991,329	(1,396,215)
Benefit payments, including refunds of employee contributions	(1,309,390)	(1,305,315)	(2,002,116)	(6,669,665)	(3,361,904)	(1,112,837)	(3,730,742)
Net change in total pension liability	<u>481,708</u>	<u>487,507</u>	<u>(369,981)</u>	<u>(8,047,239)</u>	<u>3,143,599</u>	<u>4,811,812</u>	<u>(3,459,788)</u>
Total pension liability - beginning	<u>26,180,280</u>	<u>25,692,773</u>	<u>26,062,754</u>	<u>34,109,993</u>	<u>30,966,394</u>	<u>26,154,582</u>	<u>29,614,370</u>
Total pension liability - ending (a)	<u>\$26,661,988</u>	<u>\$26,180,280</u>	<u>\$25,692,773</u>	<u>\$ 26,062,754</u>	<u>\$34,109,993</u>	<u>\$30,966,394</u>	<u>\$26,154,582</u>
Plan fiduciary net position							
Contributions - employer	\$ -	\$ 176,033	\$ 152,707	\$ 152,707	\$ 1,268,901	\$ 1,190,910	\$ 1,070,264
Contributions - employee	(343,757)	360,472	351,855	269,058	319,678	291,997	257,803
Net investment income	(1,415,341)	1,393,270	1,286,990	1,231,579	1,778,835	1,758,985	1,392,782
Benefit payments, including refunds of member contributions	(1,160,493)	(1,160,493)	(1,650,261)	(6,669,665)	(3,361,904)	(1,112,837)	(3,730,742)
Change in proportional share of contributions	(1,257,571)	(1,257,571)	710,287	710,287	-	-	-
Administrative expense	-	38,535	(39,368)	(35,884)	(44,507)	(41,327)	(30,449)
Other	4,979	-	130,809	-	-	-	711
Net change in plan fiduciary net position	<u>(4,172,183)</u>	<u>(449,754)</u>	<u>943,019</u>	<u>(4,341,918)</u>	<u>(38,997)</u>	<u>2,087,728</u>	<u>(1,039,631)</u>
Plan fiduciary net position - beginning	<u>17,896,544</u>	<u>18,346,298</u>	<u>17,403,279</u>	<u>21,745,197</u>	<u>21,784,194</u>	<u>19,696,466</u>	<u>20,736,097</u>
Plan fiduciary net position - ending (b)	<u>\$13,724,361</u>	<u>\$17,896,544</u>	<u>\$18,346,298</u>	<u>\$ 17,403,279</u>	<u>\$21,745,197</u>	<u>\$21,784,194</u>	<u>\$19,696,466</u>
Net pension liability - ending (a) - (b)	<u>\$12,937,627</u>	<u>\$ 8,283,736</u>	<u>\$ 7,346,475</u>	<u>\$ 8,659,475</u>	<u>\$12,364,796</u>	<u>\$ 9,182,200</u>	<u>\$ 6,458,116</u>
Plan fiduciary net position as a percentage of the total pension liability	51.48%	68.36%	71.41%	66.77%	63.75%	70.35%	75.31%
Covered payroll	\$ 9,827,083	\$ 9,284,363	\$ 9,329,571	\$ 8,631,859	\$ 8,791,814	\$ 9,019,495	\$ 8,597,462
Net pension liability as a percentage of its covered payroll	131.65%	89.22%	78.74%	100.32%	140.64%	101.80%	75.12%

* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

BURLINGTON SCHOOL DISTRICT
 SCHEDULE OF CONTRIBUTIONS
 BURLINGTON EMPLOYEES' RETIREMENT SYSTEM
 LAST 10 FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,164,942	\$ 1,242,218	\$ 1,161,827	\$ 890,362	\$ 1,293,261	\$ 1,268,901	\$ 1,190,910
Contributions in relation to the actuarially determined contribution	<u>(1,164,942)</u>	<u>(1,242,218)</u>	<u>(1,161,827)</u>	<u>(890,362)</u>	<u>(1,293,261)</u>	<u>(1,268,901)</u>	<u>(1,190,910)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 9,827,083	\$ 9,652,091	\$ 9,284,363	\$ 9,329,571	\$ 8,631,859	\$ 8,791,814	\$ 9,019,495
Contributions as a percentage of covered payroll	11.85%	12.87%	12.51%	9.54%	14.98%	14.43%	13.20%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

BURLINGTON SCHOOL DISTRICT
 SCHEDULE OF INVESTMENT RETURNS
 BURLINGTON EMPLOYEES' RETIREMENT SYSTEM
 LAST 10 FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	0.80%	5.20%	9.80%	10.25%	-1.30%	-0.15%	13.62%

Notes to schedule:

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

BURLINGTON SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - VSTRS
LAST 10 FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>VSTRS OPEB Plan:</u>					
Proportion of the net OPEB liability School District's proportionate share of the net OPEB liability	4.00%	3.99%	3.95%	3.89%	3.93%
	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the School District	50,334,572	41,513,836	37,672,211	36,310,605	-
Total	<u>\$ 50,334,572</u>	<u>\$ 41,513,836</u>	<u>\$ 37,672,211</u>	<u>\$ 36,310,605</u>	<u>\$ -</u>
Covered payroll	\$ 32,780,844	\$ 31,498,868	\$ 30,377,299	\$ 30,171,373	\$ 26,774,383
Proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.69%	0.03%	-2.85%	-2.94%	0.00%

* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

BURLINGTON SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS - VSTRS OPEB
LAST 10 FISCAL YEARS*

	2021	2020	2019	2018	2017
<u>VSTRS OPEB Plan:</u>					
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 37,335,924	\$ 32,780,844	\$ 31,498,868	\$ 30,079,258	\$ 30,079,258
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

BURLINGTON SCHOOL DISTRICT

SCHEDULE OF CHANGES IN NET OPEB LIABILITY
 BURLINGTON EMPLOYEES' RETIREMENT SYSTEM OPEB PLAN
 FOR THE YEAR ENDED JUNE 30, 2021

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 6/30/20	\$ 5,714,402	\$ -	\$ 5,714,402
Changes for the year:			
Service cost	564,340	-	564,340
Interest	165,143	-	165,143
Changes of benefits	-	-	-
Changes of assumptions	178,792	-	178,792
Differences between expected and actual experience	125,483	-	125,483
Contributions - employer	-	-	-
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(141,645)	-	(141,645)
Administrative expense	-	-	-
Net changes	<u>892,113</u>	<u>-</u>	<u>892,113</u>
Balances at 6/30/21	<u>\$ 6,606,515</u>	<u>\$ -</u>	<u>\$ 6,606,515</u>

See accompanying independent auditors' report and notes to financial statements.

BURLINGTON SCHOOL DISTRICT

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
 BURLINGTON EMPLOYEES' RETIREMENT SYSTEM OPEB PLAN
 LAST 10 FISCAL YEARS*

	2021	2020	2019	2018
<u>Total OPEB liability</u>				
Service cost (BOY)	\$ 564,340	\$ 352,070	\$ 315,649	\$ 491,916
Interest	165,143	217,893	213,029	240,585
Changes of benefit terms	-	-	-	(1,128,881)
Changes of assumptions	178,792	(547,751)	164,085	191,382
Differences between expected and actual experience	125,483	(77,737)	112,870	(653,961)
Benefit payments, including refunds of member contributions	(141,645)	(170,085)	(108,152)	(251,451)
Net change in total OPEB liability	<u>\$ 892,113</u>	<u>\$ (225,610)</u>	<u>\$ 697,481</u>	<u>\$ (1,110,410)</u>
Total OPEB liability - beginning	\$ 5,714,402	\$ 5,940,012	\$ 5,242,531	\$ 6,352,941
Total OPEB liability - ending	<u>\$ 6,606,515</u>	<u>\$ 5,714,402</u>	<u>\$ 5,940,012</u>	<u>\$ 5,242,531</u>
<u>Plan fiduciary net position</u>				
Contributions - employer	141,645	170,085	108,152	251,451
Contributions - member	-	-	-	-
Net investment income	-	-	-	-
Benefit payments, including refunds of member contributions	(141,645)	(170,085)	(108,152)	(251,451)
Administrative expense	-	-	-	-
Net change in fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending	<u>\$ 6,606,515</u>	<u>\$ 5,714,402</u>	<u>\$ 5,940,012</u>	<u>\$ 5,242,531</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 37,609,262	\$ 38,782,212	\$ 33,983,834	\$ 35,931,858
Net OPEB liability as a percentage of covered payroll	17.6%	14.7%	17.5%	16.53%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

BURLINGTON SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2021

Changes of Assumptions

VSTRS Pension Plan:

- The investment return assumption was lowered from 7.50% to 7.00%.
- The inflation assumption was lowered from 2.50% to 2.30%.
- The COLA assumption was lowered from 2.55% to 2.40% for Group A members and from 1.40% to 1.35% for Group C members.
- The mortality assumptions were updated as follows with generational projection using scale MP-2019:
 - Pre-Retirement: PubT-2010 Teacher Employee Table.
 - Healthy Post-Retirement – Retirees: PubT-2010 Teacher Healthy Retiree Table.
 - Healthy Post-Retirement – Beneficiaries: 109% of the Pub-2010 Contingent Survivor Table.
 - Disabled Retirees: PubNS-2010 Non-Safety Disabled Retiree Mortality Table.
- There were minor increases to the merit and seniority (and productivity) portion of individual salary increases for members between age 20-59 and minor decreases for members age 60 and older plus the revised inflation assumption.
- The active retirement assumptions were updated as follows:
 - For Group A and Group C-Grandfathered: One set of age-based rates for members eligible for unreduced benefits and one set of age-based rates for all other members.
 - For Group C-Non-grandfathered: A rate of 30% for members during the first year of unreduced eligibility, one set of age-based rates for members after the first year of unreduced eligibility, and one set of age-based rates for all members.
- The inactive retirement assumptions were updated as follows:
 - For Group A and Group C-Grandfathered: Add a rate of 10% from ERA for each year until NRA, then 100% at NRA.
 - Group C-Nongrandfathered: A rate of 50% from age 62-69, then 100% at age 70.

BURLINGTON SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2021

- The liability load of accumulated contributions for Inactive Members was removed. Liabilities for Inactive Members are now based on 100% of the accumulated contributions. Inactive members who are vested immediately become Deferred Members and the liabilities for all Deferred members are based on accrued benefit.
- There were major reductions to all rates of termination.
- The disability retirement rates were increased by 5% for females and decreased by 10% for males.

VSTRS OPEB Plan:

- The discount rate was decreased from 3.50% to 2.21%.
- The excise tax was repealed on December 20, 2020.
- The per capita valuation-year claims and retiree contribution rates were updated.
- The assumed health trend rates were modified.
- The assumed salary scale, mortality rates, disability rates, withdrawal rates and retirement rates were modified.
- The percentage of terminated vested participants who are eligible for a subsidy assumed to elect coverage was decreased from 60% to 50%.
- The percentage of current retirees who have not elected coverage and are eligible for a subsidy and have retired within the past year assumed to elect coverage was increased from 40% to 60%.
- The percentage of future retirees who elect to continue their health coverage at retirement assumed to have an eligible spouse who also opts for health coverage was decreased from 60% to 40% for males and 50% to 25% for females.

Burlington Employees' Retirement System Plan:

The discount rate was decreased from 7.40% to 7.30%.

The mortality table has been updated to RP-2014 adjusted to 2006 Total Dataset Mortality Table, projected to the valuation date with Scale MP-2020 set forward two years for Class B non-disabled.

BURLINGTON SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Burlington Employees' OPEB System Plan:

The discount rate was decreased from 2.21% to 2.16%.

See accompanying independent auditors' report and notes to financial statements.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds

BURLINGTON SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Investments	\$ -	\$ -	\$ 25,262	\$ 25,262
Accounts receivable (net of allowance for uncollectibles)	47,139	-	-	47,139
Due from other governments	5,221,954	-	-	5,221,954
Due from other funds	2,362,982	-	475	2,363,457
TOTAL ASSETS	<u>\$ 7,973,311</u>	<u>\$ -</u>	<u>\$ 25,737</u>	<u>\$ 7,999,048</u>
LIABILITIES				
Accounts payable	\$ 293,553	\$ -	\$ -	\$ 293,553
Accrued wages and benefits	79,015	-	-	79,015
Due to other funds	5,078,372	-	-	5,078,372
TOTAL LIABILITIES	<u>5,450,940</u>	<u>-</u>	<u>-</u>	<u>5,450,940</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	2,445,745	-	25,737	2,471,482
Committed	-	-	-	-
Assigned	341,236	-	-	341,236
Unassigned	(264,610)	-	-	(264,610)
TOTAL FUND BALANCES	<u>2,522,371</u>	<u>-</u>	<u>25,737</u>	<u>2,548,108</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,973,311</u>	<u>\$ -</u>	<u>\$ 25,737</u>	<u>\$ 7,999,048</u>

See accompanying independent auditors' report and notes to financial statements.

BURLINGTON SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 12,930,831	\$ 605,583	\$ -	\$ 13,536,414
Interest	59	-	89	148
Other income	504,374	-	25	504,399
TOTAL REVENUES	<u>13,435,264</u>	<u>605,583</u>	<u>114</u>	<u>14,040,961</u>
EXPENDITURES				
Program expenses	13,263,177	-	-	13,263,177
Capital outlay	-	605,583	-	605,583
TOTAL EXPENDITURES	<u>13,263,177</u>	<u>605,583</u>	<u>-</u>	<u>13,868,760</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>172,087</u>	<u>-</u>	<u>114</u>	<u>172,201</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,432,655	-	-	1,432,655
Transfers (out)	(1,656,622)	-	-	(1,656,622)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(223,967)</u>	<u>-</u>	<u>-</u>	<u>(223,967)</u>
NET CHANGE IN FUND BALANCES	(51,880)	-	114	(51,766)
FUND BALANCES - JULY 1, RESTATED	<u>2,574,251</u>	<u>-</u>	<u>25,623</u>	<u>2,599,874</u>
FUND BALANCES - JUNE 30	<u>\$ 2,522,371</u>	<u>\$ -</u>	<u>\$ 25,737</u>	<u>\$ 2,548,108</u>

See accompanying independent auditors' report and notes to financial statements.

Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than fiduciary trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

BURLINGTON SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2021

	Fund 2624 ACE DOL Suncommon Grant	Fund 2625 Reducing Racial Disparity	Fund 2626 Childcare Stabilization	Fund 2101 IDEA-B Flow Thru	Fund 2102 IDEA-B PK Flow Thru	Fund 2106 Title I Grant	Fund 2109 Title I School Improv	Fund 2112 Perkins Basic Grant
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-	-
Due from other governments	6,139	28,406	-	151,009	3,645	442,984	244,568	173,664
Due from other funds	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 6,139	\$ 28,406	\$ -	\$ 151,009	\$ 3,645	\$ 442,984	\$ 244,568	\$ 173,664
LIABILITIES								
Accounts payable	\$ -	\$ 21,147	-	\$ 30,276	\$ 3,645	\$ 15,000	\$ 65,819	\$ 2,023
Accrued payroll	-	-	-	-	-	-	79,015	-
Due to other funds	6,139	7,259	-	111,029	-	454,701	99,435	171,641
TOTAL LIABILITIES	6,139	28,406	-	141,305	3,645	469,701	244,269	173,664
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	9,704	-	-	299	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(26,717)	-	-
TOTAL FUND BALANCES (DEFICITS)	-	-	-	9,704	-	(26,717)	299	-
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 6,139	\$ 28,406	\$ -	\$ 151,009	\$ 3,645	\$ 442,984	\$ 244,568	\$ 173,664

BURLINGTON SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2021

	Fund 2113 Perkins Secon Adult Rsrv	Fund 2115 Title III English Lang	Fund 2119 RTT - PK Development	Fund 2122 Title IV SSAE	Fund 2124 21st Century Schools	Fund 2125 Title IIA	Fund 2127 CNP Fresh Fruits/Veg	Fund 2133 CRF - LEA Grant
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-	-
Due from other governments	-	35,536	-	6,484	46,651	81,056	14,900	-
Due from other funds	-	-	102,751	-	-	-	-	8,643
TOTAL ASSETS	\$ -	\$ 35,536	\$ 102,751	\$ 6,484	\$ 46,651	\$ 81,056	\$ 14,900	\$ 8,643
LIABILITIES								
Accounts payable	\$ -	\$ 1,854	\$ -	\$ 3,122	\$ 5,074	\$ 15,132	\$ -	\$ 8,643
Accrued payroll	-	-	-	-	-	-	-	-
Due to other funds	1,636	23,213	-	4,478	36,279	64,949	14,900	-
TOTAL LIABILITIES	1,636	25,067	-	7,600	41,353	80,081	14,900	8,643
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	10,469	102,751	-	5,298	975	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	(1,636)	-	-	(1,116)	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	(1,636)	10,469	102,751	(1,116)	5,298	975	-	-
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ -	\$ 35,536	\$ 102,751	\$ 6,484	\$ 46,651	\$ 81,056	\$ 14,900	\$ 8,643

BURLINGTON SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	Fund 2351 Medicaid IEP Reimbursement	Fund 2353 Medicaid EDPSDT	Fund 2354 Tobacco Litig Settlement	Fund 2357 Licensing Fees	Fund 2598 Consolidated Admin	Fund 2599 School-wide Programs	Fund 2601 Small Grant Fund	Fund 2602 Schl Based Hlth Ctr
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	9,727	-	-	-	-	-
Due from other governments	89,090	32,578	-	1,898	-	-	3,500,000	-
Due from other funds	1,862,827	153,556	-	-	10,200	30,654	-	-
TOTAL ASSETS	\$ 1,951,917	\$ 186,134	\$ 9,727	\$ 1,898	\$ 10,200	\$ 30,654	\$ 3,500,000	\$ -
LIABILITIES								
Accounts payable	\$ 52,810	\$ -	\$ -	\$ -	\$ 10,200	\$ 16,427	\$ 5,895	\$ -
Accrued payroll	-	-	-	-	-	-	-	-
Due to other funds	-	-	9,727	1,898	-	-	3,441,670	-
TOTAL LIABILITIES	52,810	-	9,727	1,898	10,200	16,427	3,447,565	-
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	1,899,107	186,134	-	-	-	14,227	52,435	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	1,899,107	186,134	-	-	-	14,227	52,435	-
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 1,951,917	\$ 186,134	\$ 9,727	\$ 1,898	\$ 10,200	\$ 30,654	\$ 3,500,000	\$ -

BURLINGTON SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	Fund 2603 STARS Bonus	Fund 2604 VT Refugee Children	Fund 2605 Bay and Paul Foundation	Fund 2606 Henderson Foundation	Fund 2607 Nellie Mae Grant	Fund 2608 Rowland Foundation	Fund 2609 Digital Promise Grant	Fund 2610 The Verizon Foundation
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	37,412	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	9,170	-	22,834	-	3,638	-	101,027	34,055
TOTAL ASSETS	\$ 9,170	\$ 37,412	\$ 22,834	\$ -	\$ 3,638	\$ -	\$ 101,027	\$ 34,055
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ 22,834	\$ -	\$ -	\$ -	\$ -	\$ 9,189
Accrued payroll	-	-	-	-	-	-	-	-
Due to other funds	-	35,394	-	-	-	7,498	-	-
TOTAL LIABILITIES	-	35,394	22,834	-	-	7,498	-	9,189
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	9,170	2,018	-	-	3,638	-	101,027	24,866
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(7,498)	-	-
TOTAL FUND BALANCES (DEFICITS)	9,170	2,018	-	-	3,638	(7,498)	101,027	24,866
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 9,170	\$ 37,412	\$ 22,834	\$ -	\$ 3,638	\$ -	\$ 101,027	\$ 34,055

BURLINGTON SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	Fund 2141 Child Nutrition EBT	Fund 2137 ESSER II	Fund 2132 GEER	Fund 9002 Student Activities	Fund 2614 Safety and Security	Fund 2615 Dept of Health ADAP	Fund 2616 VT DOL Adult Tech	Fund 2617 VT DOL Wet Grant	Fund 2618 Flexible Pathways
ASSETS									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 341,236	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-	-	-
Due from other governments	6,955	1,259	10,557	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 6,955	\$ 1,259	\$ 10,557	\$ 341,236	\$ -	\$ -	\$ -	\$ -	\$ -
LIABILITIES									
Accounts payable	\$ -	\$ 589	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-	-	-
Due to other funds	6,955	670	10,557	-	162,604	40,000	-	-	20,444
TOTAL LIABILITIES	6,955	1,259	10,557	-	162,604	40,000	-	-	20,444
FUND BALANCES (DEFICITS)									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	341,236	-	-	-	-	-
Unassigned	-	-	-	-	(162,604)	(40,000)	-	-	(20,444)
TOTAL FUND BALANCES (DEFICITS)	-	-	-	341,236	(162,604)	(40,000)	-	-	(20,444)
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 6,955	\$ 1,259	\$ 10,557	\$ 341,236	\$ -	\$ -	\$ -	\$ -	\$ -

BURLINGTON SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2021

	Fund 2619 VT DOL Adult Tech (Fy20)	Fund 2620 Dental Access Program	Fund 2621 BTC Prg Innovation	Fund 2622 Youthbuild (HOEHL)	Fund 2623 EMS Teach Tolerance	Fund 2134 CRF-Summer Food Service	Fund 2131 ESSER	Total
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 341,236
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-	47,139
Due from other governments	-	-	-	-	-	-	344,575	5,221,954
Due from other funds	-	-	-	21,000	2,627	-	-	2,362,982
TOTAL ASSETS	\$ -	\$ -	\$ -	\$ 21,000	\$ 2,627	\$ -	\$ 344,575	\$ 7,973,311
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,874	\$ 293,553
Accrued payroll	-	-	-	-	-	-	-	79,015
Due to other funds	-	-	4,595	-	-	-	340,701	5,078,372
TOTAL LIABILITIES	-	-	4,595	-	-	-	344,575	5,450,940
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	21,000	2,627	-	-	2,445,745
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	341,236
Unassigned	-	-	(4,595)	-	-	-	-	(264,610)
TOTAL FUND BALANCES (DEFICITS)	-	-	(4,595)	21,000	2,627	-	-	2,522,371
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ -	\$ -	\$ -	\$ 21,000	\$ 2,627	\$ -	\$ 344,575	\$ 7,973,311

See accompanying independent auditors' report and notes to financial statements.

BURLINGTON SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Fund 2624 ACE DOL Suncommon Grant	Fund 2625 Reducing Racial Disparity	Fund 2626 Childcare Stabilization	Fund 2101 IDEA-B Flow Thru	Fund 2102 IDEA-B PK Flow Thru	Fund 2106 Title I Grant	Fund 2109 Title I School Improv	Fund 2112 Perkins Basic Grant
REVENUES								
Intergovernmental	\$ 24,786	\$ 28,406	\$ 186,737	\$ 1,125,115	\$ 12,451	\$ 1,872,069	\$ 656,468	\$ 195,193
Other income	-	-	-	-	10,778	-	-	-
TOTAL REVENUES	<u>24,786</u>	<u>28,406</u>	<u>186,737</u>	<u>1,125,115</u>	<u>23,229</u>	<u>1,872,069</u>	<u>656,468</u>	<u>195,193</u>
EXPENDITURES								
Program expenses	24,786	28,406	186,737	1,125,113	12,451	445,497	656,465	195,193
TOTAL EXPENDITURES	<u>24,786</u>	<u>28,406</u>	<u>186,737</u>	<u>1,125,113</u>	<u>12,451</u>	<u>445,497</u>	<u>656,465</u>	<u>195,193</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>10,778</u>	<u>1,426,572</u>	<u>3</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	(1,426,571)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,426,571)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	-	2	10,778	1	3	-
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,702</u>	<u>(10,778)</u>	<u>(26,718)</u>	<u>296</u>	<u>-</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,704</u>	<u>\$ -</u>	<u>\$ (26,717)</u>	<u>\$ 299</u>	<u>\$ -</u>

BURLINGTON SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Fund 2113 Perkins Second Adult Rsrv	Fund 2115 Title III English Lang	Fund 2119 RTT - PK Development	Fund 2122 Title IV SSAE	Fund 2124 21st Century Schools	Fund 2125 Title IIA	Fund 2127 CNP Fresh Fruits/Veg	Fund 2133 CRF - LEA Grant
REVENUES								
Intergovernmental	\$ -	\$ 213,397	\$ -	\$ 49,989	\$ 466,188	\$ 593,812	\$ 101,472	\$ 2,063,053
Other income	-	-	-	-	-	-	-	-
TOTAL REVENUES	-	213,397	-	49,989	466,188	593,812	101,472	2,063,053
EXPENDITURES								
Program expenses	1,636	213,396	-	49,989	466,194	593,811	101,473	2,063,057
TOTAL EXPENDITURES	1,636	213,396	-	49,989	466,194	593,811	101,473	2,063,057
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,636)	1	-	-	(6)	1	(1)	(4)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	(225,031)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	(225,031)	-
NET CHANGE IN FUND BALANCES (DEFICITS)	(1,636)	1	-	-	(6)	1	(225,032)	(4)
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	-	10,468	102,751	(1,116)	5,304	974	225,032	4
FUND BALANCES (DEFICITS) - JUNE 30	\$ (1,636)	\$ 10,469	\$ 102,751	\$ (1,116)	\$ 5,298	\$ 975	\$ -	\$ -

BURLINGTON SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Fund 2351 Medicaid IEP Reimbursement	Fund 2353 Medicaid EDPSDT	Fund 2354 Tobacco Litig Settlement	Fund 2357 Licensing Fees	Fund 2598 Consolidated Admin	Fund 2599 School-wide Programs	Fund 2601 Small Grant Fund	Fund 2602 Schl Based Hlth Ctr
REVENUES								
Intergovernmental	\$ 594,462	\$ 85,982	\$ 30,431	\$ -	\$ -	\$ -	\$ 3,500,000	\$ -
Other income	-	-	-	1,898	-	-	56,234	-
TOTAL REVENUES	594,462	85,982	30,431	1,898	-	-	3,556,234	-
EXPENDITURES								
Program expenses	585,630	103,552	30,431	1,093	151,245	1,261,100	3,542,042	-
TOTAL EXPENDITURES	585,630	103,552	30,431	1,093	151,245	1,261,100	3,542,042	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	8,832	(17,570)	-	805	(151,245)	(1,261,100)	14,192	-
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	727	151,245	1,275,327	-	594
Transfers (out)	-	(5,020)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(5,020)	-	727	151,245	1,275,327	-	594
NET CHANGE IN FUND BALANCES (DEFICITS)	8,832	(22,590)	-	1,532	-	14,227	14,192	594
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	1,890,275	208,724	-	(1,532)	-	-	38,243	(594)
FUND BALANCES (DEFICITS) - JUNE 30	\$ 1,899,107	\$ 186,134	\$ -	\$ -	\$ -	\$ 14,227	\$ 52,435	\$ -

BURLINGTON SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Fund 2603 STARS Bonus	Fund 2604 VT Refugee Children	Fund 2605 Bay and Paul Foundation	Fund 2606 Henderson Foundation	Fund 2607 Nellie Mae Grant	Fund 2608 Rowland Foundation	Fund 2609 Digital Promise Grant	Fund 2610 The Verizon Foundation
REVENUES								
Intergovernmental	\$ -	\$ 80,452	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	-	20,000	-	-	-	-	-
TOTAL REVENUES	-	80,452	20,000	-	-	-	-	-
EXPENDITURES								
Program expenses	-	80,452	68,422	1	-	-	-	24,128
TOTAL EXPENDITURES	-	80,452	68,422	1	-	-	-	24,128
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(48,422)	(1)	-	-	-	(24,128)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	23	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	23	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	(48,422)	22	-	-	-	(24,128)
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	9,170	2,018	48,422	(22)	3,638	(7,498)	101,027	48,994
FUND BALANCES (DEFICITS) - JUNE 30	\$ 9,170	\$ 2,018	\$ -	\$ -	\$ 3,638	\$ (7,498)	\$ 101,027	\$ 24,866

BURLINGTON SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Fund 2141 Child Nutrition EBT	Fund 2137 ESSER II	Fund 2132 GEER	Fund 9002 Student Activities	Fund 2614 Safety and Security	Fund 2615 Dept of Health ADAP	Fund 2616 VT DOL Adult Tech	Fund 2617 VT DOL Wet Grant	Fund 2618 Flexible Pathways
REVENUES									
Intergovernmental	\$ 6,955	\$ 1,259	\$ 102,842	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	59	-	-	-	-	-
Other income	-	-	-	377,557	-	-	1	-	-
TOTAL REVENUES	6,955	1,259	102,842	377,616	-	-	1	-	-
EXPENDITURES									
Program expenses	6,955	1,259	102,842	142,454	-	40,001	-	-	-
TOTAL EXPENDITURES	6,955	1,259	102,842	142,454	-	40,001	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	235,162	-	(40,001)	1	-	-
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	4,427	152	160	-
Transfers (out)	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	4,427	152	160	-
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	-	235,162	-	(35,574)	153	160	-
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	-	-	-	106,074	(162,604)	(4,426)	(153)	(160)	(20,444)
FUND BALANCES (DEFICITS) - JUNE 30	\$ -	\$ -	\$ -	\$ 341,236	\$ (162,604)	\$ (40,000)	\$ -	\$ -	\$ (20,444)

BURLINGTON SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Fund 2619 VT DOL Adult Tech (FY20)	Fund 2620 Dental Access Program	Fund 2621 BTC Prg Innovation	Fund 2622 Youthbuild (HOEHL)	Fund 2623 EMS Teach Tolerance	Fund 2134 CRF-Summer Food Service	Fund 2131 ESSER	Total
REVENUES								
Intergovernmental	\$ 11,284	\$ -	\$ -	\$ -	\$ -	\$ 51,422	\$ 876,606	\$ 12,930,831
Other income	-	-	-	-	-	37,906	-	504,374
TOTAL REVENUES	11,284	-	-	-	-	89,328	876,606	13,435,264
EXPENDITURES								
Program expenses	5,215	9,350	-	12,600	2,173	51,422	876,606	13,263,177
TOTAL EXPENDITURES	5,215	9,350	-	12,600	2,173	51,422	876,606	13,263,177
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,069	(9,350)	-	(12,600)	(2,173)	37,906	-	172,087
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	1,432,655
Transfers (out)	-	-	-	-	-	-	-	(1,656,622)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	(223,967)
NET CHANGE IN FUND BALANCES (DEFICITS)	6,069	(9,350)	-	(12,600)	(2,173)	37,906	-	(51,880)
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	(6,069)	9,350	(4,595)	33,600	4,800	(37,906)	-	2,574,251
FUND BALANCES (DEFICITS) - JUNE 30	\$ -	\$ -	\$ (4,595)	\$ 21,000	\$ 2,627	\$ -	\$ -	\$ 2,522,371

See accompanying independent auditors' report and notes to financial statements.

Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

BURLINGTON SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2021

	CRF HVAC	CRF CN Equipment	Total
ASSETS			
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ -
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report and notes to financial statements.

BURLINGTON SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	CRF HVAC	CRF CN Equipment	Total
REVENUES			
Intergovernmental revenue	387,289	218,294	\$ 605,583
TOTAL REVENUES	<u>387,289</u>	<u>218,294</u>	<u>605,583</u>
EXPENDITURES			
Capital outlay	387,289	218,294	605,583
TOTAL EXPENDITURES	<u>387,289</u>	<u>218,294</u>	<u>605,583</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report and notes to financial statements.

Permanent Funds

Permanent funds are used to account for assets held by the School District that are legally restricted and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the School District.

BURLINGTON SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2021

	Margot E. Reed Fund	Raymond E. Tracy Estate Fund	School Land Rent Glebe Fund	Total
ASSETS				
Investments	\$ 4,825	\$ 20,437	\$ -	\$ 25,262
Due from other funds	-	-	475	475
TOTAL ASSETS	<u>\$ 4,825</u>	<u>\$ 20,437</u>	<u>\$ 475</u>	<u>\$ 25,737</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	4,825	20,437	475	25,737
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>4,825</u>	<u>20,437</u>	<u>475</u>	<u>25,737</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,825</u>	<u>\$ 20,437</u>	<u>\$ 475</u>	<u>\$ 25,737</u>

See accompanying independent auditors' report and notes to financial statements.

BURLINGTON SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Margot E. Reed Fund	Raymond E. Tracy Estate Fund	School Land Rent Glebe Fund	Total
REVENUES				
Interest income	\$ 17	\$ 72	\$ -	\$ 89
Other income	-	-	25	25
TOTAL REVENUES	<u>17</u>	<u>72</u>	<u>25</u>	<u>114</u>
EXPENDITURES				
Program expenses	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	17	72	25	114
FUND BALANCES - JULY 1	<u>4,808</u>	<u>20,365</u>	<u>450</u>	<u>25,623</u>
FUND BALANCES - JUNE 30	<u>\$ 4,825</u>	<u>\$ 20,437</u>	<u>\$ 475</u>	<u>\$ 25,737</u>

See accompanying independent auditors' report and notes to financial statements.

Private-Purpose Trust Funds

Private-purpose trust funds are used to account for assets held by the School District that are legally restricted for purposes that benefit parties outside of the School District.

BURLINGTON SCHOOL DISTRICT

COMBINING SCHEDULE OF NET POSITION - PRIVATE PURPOSE TRUST FUNDS
JUNE 30, 2021

	AFS Trust Fund	Scholarship Trust Fund	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Investments	\$ 19,416	\$ 149,264	\$ 168,680
TOTAL ASSETS	<u>\$ 19,416</u>	<u>\$ 149,264</u>	<u>\$ 168,680</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Restricted	19,416	149,264	168,680
TOTAL NET POSITION	<u>19,416</u>	<u>149,264</u>	<u>168,680</u>
 TOTAL LIABILITIES AND NET POSITION	 <u>\$ 19,416</u>	 <u>\$ 149,264</u>	 <u>\$ 168,680</u>

See accompanying independent auditors' report and notes to financial statements.

BURLINGTON SCHOOL DISTRICT

COMBINING SCHEDULE OF CHANGES IN NET POSITION
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	AFS Trust Fund	Scholarship Trust Fund	Total
ADDITIONS			
Interest income	\$ 27	\$ 273	\$ 300
TOTAL REVENUES	<u>27</u>	<u>273</u>	<u>300</u>
DEDUCTIONS			
Distributions	-	1,240	1,240
TOTAL DEDUCTIONS	<u>-</u>	<u>1,240</u>	<u>1,240</u>
NET CHANGE IN NET POSITION	27	(967)	(940)
NET POSITION - JULY 1	<u>19,389</u>	<u>150,231</u>	<u>169,620</u>
NET POSITION - JUNE 30	<u>\$ 19,416</u>	<u>\$ 149,264</u>	<u>\$ 168,680</u>

See accompanying independent auditors' report and notes to financial statements.

BURLINGTON SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor Pass Through Grantor Program or Cluster Title	Federal AL Number	Pass Through Grantor Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Agriculture				
Passed through State of Vermont - Agency of Education and Cultural Services:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	4452T0372101	\$ 46,544	\$ -
National School Lunch Program	10.555	4450T0372101	67,935	-
Summer Food Service Program for Children	10.559	4455T0372101	2,121,676	-
Subtotal Child Nutrition Cluster			<u>2,236,155</u>	<u>-</u>
Food Distribution Cluster				
Commodity Supplemental Food Program	10.565	4456T0372101	145,195	-
Subtotal Food Distribution Cluster			<u>145,195</u>	<u>-</u>
Child and Adult Care Food Program	10.558	4453T0371900	37,757	-
Child and Adult Care Food Program	10.558	4454T0372101	775,383	-
Fresh Fruit and Vegetable Program	10.582	4449T0372101	101,472	-
Total U.S. Department of Agriculture			<u>3,295,962</u>	<u>-</u>
U.S. Department of Treasury				
Passed through State of Vermont - Agency of Education and Cultural Services:				
Coronavirus Relief Fund	21.019	N/A	6,955	-
Coronavirus Relief Fund	21.019	4596T0372101	218,294	-
Coronavirus Relief Fund	21.019	4593T0372101	51,422	-
Coronavirus Relief Fund	21.019	4592T0372101	2,063,053	-
Passed through State of Vermont - Agency of Human Services:				
Coronavirus Relief Fund	21.019	03440-38326-21-BSD	18,540	-
Coronavirus Relief Fund	21.019	WFS90-WFS94	75,978	-
Passed through Vermont Energy Investment Efficiency	21.019	6000-1327	387,289	-
Total U.S. Department of Treasury			<u>2,821,531</u>	<u>-</u>
U.S. Department of Education				
Passed through State of Vermont - Agency of Education and Cultural Services:				
Title I Grants to Local Educational Agencies	84.010	4250T0372101	1,279,094	-
Title I Grants to Local Educational Agencies	84.010	4255T0372101	656,468	-
Special Education Cluster (IDEA)				
Special Education - Grants to States	84.027	4226T0372101	1,125,115	-
Special Education-Preschool Grants	84.173	4228T0372101	12,451	-
Subtotal Special Education Cluster (IDEA)			<u>1,137,566</u>	<u>-</u>
Career and Technical Education - Basic Grants to States	84.048	4318T0372101	195,193	-
Twenty-First Century Community Learning Centers	84.287	4611T0372101	466,188	-
English Language Acquisition State Grants	84.365	4375T0372101	213,397	-
Supporting Effective Instruction State Grants	84.367	4651T0372101	593,812	-
Student Support and Academic Enrichment Program	84.424	4570T0372101	49,989	-
Education Stabilization Fund Under The Coronavirus Aid, Relief And Economic Security Act	84.425D	4590T0372101	876,606	-
Education Stabilization Fund Under The Coronavirus Aid, Relief And Economic Security Act	84.425D	4591T0372101	102,842	-
Education Stabilization Fund Under The Coronavirus Aid, Relief And Economic Security Act	84.425D	4597T0372101	1,259	-
Education Stabilization Fund Under The Coronavirus Aid, Relief And Economic Security Act	84.425D	N/A	3,500,000	-
Total U.S. Department of Education			<u>9,072,414</u>	<u>-</u>

BURLINGTON SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor Pass Through Grantor Program or Cluster Title	Federal AL Number	Pass Through Grantor Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Health & Human Services				
Passed through State of Vermont - Agency of Human Services				
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	03400-BSD-RSI21-SS-FY20	80,452	-
CCDF Cluster				
Child Care and Development Block Grant	93.575	03440-CRRSA00103	20,283	-
Child Care and Development Block Grant	93.575	03440-CRRSA00100	9,465	-
Child Care and Development Block Grant	93.575	03440-CRRSA00104	20,283	-
Child Care and Development Block Grant	93.575	03440-CRRSA00105	20,283	-
Child Care and Development Block Grant	93.575	03440-CRRSA00102	20,283	-
Child Care and Development Block Grant	93.575	03440-CRRSA00101	1,623	-
Subtotal CCDF Cluster			92,220	-
Total U.S. Department of Health & Human Services			172,672	-
TOTAL FEDERAL ASSISTANCE			\$ 15,362,579	\$ -

BURLINGTON SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2021

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Burlington School District under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Burlington School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the Burlington School District.

2. Summary of Significant Accounting Policies

- a. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- b. The U.S. Department of Education (USED) has delegated to the State of Vermont Agency of Education the authority to issue indirect cost rates to all Local Education Agencies (LEAs) based on a plan approved by the USED. Therefore, the Burlington School District does not use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

3. Noncash Awards

The Burlington School District reports U.S. Department of Agriculture (USDA) Foods consumed on the Schedule at the fair value [or entitlement value]. The State of Vermont allocated USDA Foods to the respective program(s) that benefitted from the use of those USDA Foods.



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Burlington School District
Burlington, Vermont

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Burlington School District, as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise Burlington School District's basic financial statements and have issued our report thereon dated February 15, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Burlington School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Burlington School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Supervisory Union's internal control.

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 *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Burlington School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of the Burlington School District in a separate letter dated February 15, 2022.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the organization's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000697
February 15, 2022



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
Burlington School District
Burlington, Vermont

Report on Compliance for Each Major Federal Program

We have audited Burlington School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Burlington School District's major federal programs for the year ended June 30, 2021. Burlington School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations and the terms and conditions of its federal awards applicable to each of its major federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Burlington School District's major federal programs based on our audit of the type of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Burlington School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Burlington School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Burlington School District, complied in all material respects, with the type of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Burlington School District is responsible for establishing and maintaining effective internal control over compliance with the type of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Burlington School District internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Burlington School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency or combination of deficiencies, in internal control over compliance requirements of a federal program will not be prevented or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000697
February 15, 2022

BURLINGTON SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

Section I - Summary of Auditor's Results

• *Financial Statements*

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no
- Noncompliance material to financial statements noted? yes no

• *Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported
in accordance with §200.516 of Uniform Guidance? yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555/10.559	Child Nutrition Cluster
10.558	Child and Adult Care Food Program
84.425D	Education Stabilization Fund Under The Coronavirus Aid Relief And Economic Security Act

Dollar threshold used to distinguish between type A and B: \$750,000

Auditee qualified as low-risk auditee? yes no

Section II - Financial Statement Findings

None

Section III - Federal Awards Findings and Questioned Costs

None