

TOWN OF BURLINGTON, MASSACHUSETTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT



For the Year Ended June 30, 2024



MWRA Ceremony

TOWN OF BURLINGTON, MASSACHUSETTS
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2024



Prepared by:
Accounting Department

TOWN OF BURLINGTON, MASSACHUSETTS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

Introductory Section.....	1
Letter of Transmittal.....	2
Organizational Chart	7
Principal Town Officials	8
Certificate of Achievement for Excellence in Financial Reporting	9
Financial Section	11
Independent Auditors' Report	13
Management's Discussion and Analysis	16
Basic Financial Statements.....	26
Statement of Net Position.....	27
Statement of Activities	28
Governmental Funds – Balance Sheet	30
Reconciliation of the Governmental Balance Sheet Total Fund Balances to Statement of Net Position.....	31
Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances.....	32
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
Proprietary Funds – Statement of Net Position.....	34
Proprietary Funds – Statement of Revenues, Expenses and Changes in Net Position	35
Proprietary Funds – Statement of Cash Flows.....	36
Fiduciary Funds – Statement of Fiduciary Net Position	37
Fiduciary Funds – Statement of Changes in Fiduciary Net Position	38
Notes to Basic Financial Statements.....	39
Required Supplementary Information	79
General Fund Budgetary Comparison Schedule	80
Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund – Budget and Actual	81
Pension Plan Schedules.....	85
Schedule of the Town's Proportionate Share of the Net Pension Liability	86
Schedule of the Town's Contributions	87
Schedule of Special Funding Amounts of the Net Pension Liability	88
Other Postemployment Benefits Plan Schedules	89
Schedule of Changes in the Town's Net OPEB Liability and Related Ratios	90

TOWN OF BURLINGTON, MASSACHUSETTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS (CONTINUED)

Schedule of the Town's Contributions	91
Schedule of Investment Returns	92
Notes to Required Supplementary Information.....	93
Combining Statements.....	99
Nonmajor Governmental Funds	100
Nonmajor Governmental Funds – Combining Balance Sheet.....	102
Nonmajor Governmental Funds – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	104
Statistical Section	106
Net Position by Component – Last Ten Years.....	107
Changes in Net Position – Last Ten Years.....	108
Fund Balances, Governmental Funds – Last Ten Years	109
Changes in Fund Balances, Governmental Funds – Last Ten Years	110
Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates – Last Ten Years	111
Principal Taxpayers – Current Year and Nine Years Ago	112
Property Tax Levies and Collections – Last Ten Years.....	113
Ratios of Outstanding Debt and General Bonded Debt – Last Ten Years.....	114
Direct and Overlapping Governmental Activities Debt.....	115
Computation of Legal Debt Margin – Last Ten Years.....	116
Demographic and Economic Statistics – Last Ten Years	117
Principal Employers – Current Year and Nine Years Ago	118
Full-Time Equivalent Town Employees by Function – Last Ten Years.....	119
Operating Indicators by Function/Program – Last Ten Years	120
Capital Asset Statistics by Function/Program – Last Ten Years	121
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters	
Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing</i>	
Standards	122

Introductory Section



The Beer Garden Burlington get together.

Introductory Section



TOWN OF BURLINGTON

Select Board/Town Administrator's Office

Paul Sagarino, Jr., Town Administrator

Letter of Transmittal

January 31, 2025

To the Honorable Members of the Select Board and Citizens of the Town of Burlington:

State law requires the Town of Burlington, Massachusetts (the Town) to publish at the close of each year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, I hereby issue the Annual Comprehensive Financial Report (ACFR) of the Town of Burlington, Massachusetts, for the year ending June 30, 2024, for your review.

The ACFR is intended for use by elected and appointed Town officials, as well as any other party with an interest in the management, development, and progress of the Town, such as, financial institutions, credit rating agencies, bond analysts, and the residents and taxpayers of the Town of Burlington. The report is designed to present complex financial data in a manner that is easy for the user to review and interpret.

This report consists of management's representations concerning the finances of the Town of Burlington. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Because the cost of internal controls should not outweigh their benefits, the Town of Burlington's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

The Town of Burlington's financial statements have been audited by Marcum, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Burlington, for the year ended June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Burlington's financial statements for the year ended June 30,

2024, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of Burlington was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Town of Burlington's separately issued Single Audit Report.

Generally accepted accounting principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of MD&A. This letter of transmittal is designed to complement, and should be read in conjunction with, the MD&A. The Town's MD&A can be found immediately following the independent auditors' report.

Profile of the Town

The Town of Burlington is located in Middlesex County, approximately 14 miles from Boston. It is bordered on the west by the Town of Bedford, on the north and northeast by the Town of Billerica and the Town of Wilmington, and on the south and southeast by the Town of Woburn and the Town of Lexington. Established as a Town in 1799, Burlington occupies a land area of 11.88 square miles. According to the 2023 census conducted by the Burlington Town Clerk, Burlington is home to a population of approximately 26,512.

The Town is governed by a 126-member representative Town Meeting, and a five member Select Board assisted by a Town Administrator. Local school affairs are administered by a School Committee of five persons, elected for three years on a staggered basis. Local taxes are assessed by a Board of Assessors elected for staggered three-year terms.

The Town of Burlington provides general government services for the territory within its boundaries, including police and fire protection, collection and disposal of solid waste and recycling, public education for grades K-12, sewer services, street maintenance, public libraries, parks and recreational facilities. The Shawsheen Valley Regional Technical-Vocational School District provides vocational technical education for the Town. The principal services provided by the Commonwealth of Massachusetts are jails and houses of correction, registries of deeds, and probate.

The Burlington Housing Authority provides housing for eligible low-income families and handicapped persons. The Massachusetts Bay Transportation Authority provides rail and bus service to the Town and the Town has also piloted a subsidized ride-share program to offer more flexible services for users.

Ensuring the future sustainability of the Town's water and sewer system is a priority. The Town of Burlington utilizes both surface water and ground waters to treat at two Town water treatment plants. Though the Town has been a member of the Massachusetts Water Resources Authority (MWRA) for sewer services only in the past, Burlington is now undergoing a large construction project to include water services as well. The Town has laid out a plan to join the MWRA for water services that will support additional growth and enhance the reliability of the water access for all of our users. The connection to the MWRA is a significant investment of over \$25 million which will come to fruition in multi phases. Phase one was completed in December of 2020, and has been providing one million gallons per day (MGD). In May 2023, Phase two was completed, allowing the Town to take up to 3.5

MGD. The final phase of the project is expected to happen over the next few years and will ultimately allow the Town to take up to 6.5 MGD from the MWRA.

Local Economy

This summary provides an overview of Burlington's local economy, highlighting a few economic indicators, tax structures, recent economic activity, and trends we monitor. The Town's Administration maintains a steadfast commitment to fostering economic development. This emphasis is critical for sustaining a diverse commercial sector.

In Burlington, the FY24 projected commercial tax levy accounted for 63% of the total tax levy, while the residential levy contributed 37%. This resulted in approximately \$88 million in commercial property taxes and \$53 million in residential property taxes. Burlington has a unique tax structure, with one of the highest ratios of commercial to residential property values in the state, contrasting with other Massachusetts municipalities, where residential properties typically dominate the tax base.

According to ESRI Business Analyst, Burlington's status as a key employment hub remains strong, with approximately 2,095 businesses employing roughly 46,100 individuals, mostly categorized in professional services, technology, healthcare, and retail. Over the past fiscal year, Burlington's unemployment rate averaged 2.2%, remaining well below the state average of 3.9%.

Burlington's commercial real estate market had new leasing activity in FY2024, tracked by CBRE, with 289,494 square feet of leases signed across new deals, expansions, relocations, and renewals. Notable leases reflect the diversity of industries within the local economy:

- **Green Tech:** Phoenix Tailings relocated to 29,000 square feet at 20 North Avenue.
- **Life Sciences & Medical Devices:** Myomo leased 36,208 square feet at 45 Network Drive; Modal Therapeutics and Vaisala Incorporated secured new leases at 3 Burlington Woods and 3 Van de Graaff Drive, occupying 4,766 square feet and 28,382 square feet, respectively.
- **General Office:** Renewed leases by Merrill Lynch/Bank of America (26,973 square feet) at 25 Burlington Mall Road and Boston Offices (21,874 square feet) at 10 Burlington Mall Road reinforce that Burlington has staying power as a corporate hub.
- **New Tenants:** Newly expanding into Burlington were Scientific Systems (27,567 square feet) and CH Biotech (19,653 square feet), with new spaces in FY24.

Burlington is part of the Route 128 North submarket, where office vacancy reached 18.1% in 2024. This reflects a gradual increase due to evolving work models. However, Burlington remains competitive, with average office rents at \$32.45 per square foot (gross).

In FY2024, Burlington issued 346 commercial building permits, reflecting over \$159 million in private investment. Projects in the life sciences and technology sectors strengthen Burlington's innovation cluster and help support complementary sectors such as retail and hospitality.

To support future growth, Burlington continues prioritizing infrastructure. The connection to the Massachusetts Water Resource Authority (MWRA) provides a reliable water supply, enhancing the Town's appeal to prospective businesses. Additionally, Burlington's collaboration with Eversource on a

second substation over the upcoming years will increase electricity capacity to meet an increased demand from electrification and business expansion.

Burlington's proactive approach to economic development is intended to cope with broader macroeconomic trends, such as increases in interest rates, construction costs, and inflation. The Town's location near Boston, robust infrastructure, and access to a highly skilled workforce remain key advantages that help maintain Burlington's position as a competitive location for businesses in the region.

Financial Health

The Administration has always prioritized financial stability. The Town's consistent conservative methodology in managing its budgeting and tax levy has been a major factor contributing to this stability. This conservative budgeting approach and careful financial planning have positioned the Town to maintain a strong financial foundation. The commercial real estate tax base that the Town enjoys has afforded it the opportunity to be fiscally conservative while maintaining a high level of service and without imposing higher property taxes or onerous fees on residents.

The Town continues to maintain a healthy position with financial reserves. It ended the year with an unused taxing capacity of approximately \$14.4 million, a Stabilization Fund balance of \$12.9 million, and an Other Post-Employment Benefits Fund balance of \$17.9 million. Free Cash was certified at over \$36.1 million as of June 30, 2024, and the Town's bond rating remains at the highest possible level, AAA, by Standard & Poor's. This rating reflects the Town's continued adherence to conservative financial policies, such as aggressively paying down debt and following "pay as you go" capital plan policies.

We take great pride in this financial success but remain mindful of the need for sustainable outlooks in our forecasts to ensure long-term stability. Over the years, the Town has developed financial and capital plans to guide decision-making during the budget process. In accordance with the Town's financial policies and best practices, the finance team regularly meets with the Select Board, School Committee, and Ways and Means Committee to establish financial guidelines that provide direction for all boards, committees, officials, and departments. This collaborative process remains vital to maintaining the Town's fiscal health and ensuring prudent financial management for the future.

Budgetary Controls

The Town's financial team is responsible for preparing the budget and reviewing it with the various departments, boards and committees. This budget is then presented to the Town Administrator who, in turn, after review, presents the budget to the Select Board. The Select Board reviews all requests and Town-wide issues and presents a budget to Town Meeting for approval. A fifteen-member Ways and Means Committee made up of citizen volunteers appointed by the Town Moderator reviews the budget and makes recommendations to Town Meeting. The general fund is the only governmental fund with a legally adopted annual budget. A separate Capital Committee made up of seven citizen volunteers appointed by the Town Moderator reviews capital expenditure plans.

The level of budgetary control is established by Town Meeting and this approval defines the level at which expenditures may not exceed appropriations. This level is at the individual department salary and expense level. The Town Accountant is responsible for ensuring all payroll and invoices are within the budgetary control level before authorizing payment. Additional appropriations may be approved at subsequent Town Meetings. During the year, the Ways and Means Committee, upon request of the

Town Administrator, may approve a transfer from a reserve fund previously established by Town Meeting. These controls ensure compliance with the budget approved by Town Meeting.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Burlington for its Annual Comprehensive Finance Report (ACFR) for the fiscal year ended June 30, 2023. This was the 9th consecutive year that the government has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

We would like to express our appreciation to all the members of the departments who assisted and contributed to the preparation of this report. Credit must also be given to the Select Board and Audit Committee for their unfailing support for maintaining the highest standards of professionalism in the management of the Town, including its finances.

Respectfully submitted,

A handwritten signature in black ink that reads "Paul F. Sagarino, Jr." The signature is fluid and cursive, with "Paul" and "F." stacked above "Sagarino, Jr.".

Paul Sagarino, Jr.
Town Administrator

Town of Burlington, Massachusetts

Organizational Chart

As of June 30, 2024



Town of Burlington, Massachusetts

Principal Town Officials

As of June 30, 2024

Elected Officials

	<u>Term Expires</u>	
Select Board	Joseph Morandi, Chair Michael Espejo, Vice Chair Jim Tigges Nicholas Priest Sarah Cawly	2027 2027 2026 2025 2027
Moderator	William Beyer	2025
Town Clerk	Amy E. Warfield	2026
Assessors	Catherine O'Neil, Chair Paul Sheehan Kevin Sheehan	2025 2027 2026
School Committee	Christine Monaco, Chair Melissa Massardo, Vice Chair Katherine Bond Jeremy Brooks Meghan Nawoichik	2025 2025 2026 2026 2027

Appointed Officials

Town Administrator	Paul Sagarino, Jr.
Assistant Town Administrator	John Danizio
Town Accountant	Juiling de los Reyes
Superintendent of Schools	Dr. Eric M. Conti
Assistant Superintendent of Schools	Dr. Lisa Chen
Assessor	Paul Tierney
Treasurer/Collector	Gary Gianino



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Burlington
Massachusetts**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Monell

Executive Director/CEO

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Financial Section



Beer Garden brings beer and local business together.

Financial Section

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INDEPENDENT AUDITORS' REPORT

To the Honorable Select Board
Town of Burlington, Massachusetts

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Burlington, Massachusetts (Town), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2024, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Burlington, Massachusetts' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2025, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Burlington, Massachusetts' internal control over financial reporting and compliance.

Marcum LLP

Boston, MA
January 31, 2025

Management's Discussion and Analysis

Town of Burlington, Massachusetts

Management's Discussion and Analysis

As of June 30, 2024

As management of the Town of Burlington, Massachusetts (Town), we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2024. We encourage readers to consider the information presented in this report in conjunction with additional information that we have furnished in our letter of transmittal.

The Governmental Accounting Standards Board (GASB) is the authoritative standard setting body that provides guidance on how to prepare financial statements in conformity with generally accepted accounting principles (GAAP). Users of these financial statements (such as investors and rating agencies) rely on the GASB to establish consistent reporting standards for all governments in the United States. This consistent application is the only way users (including citizens, the media, legislators and others) can assess the financial condition of one government compared to others.

Governments must adhere to GASB pronouncements in order to issue their financial statements in conformity with GAAP. The users of financial statements also rely on the independent auditors' opinion. If the Town's financial statements have significant departures from GAAP the independent auditors may issue a qualified opinion or a disclaimer (where no opinion is given). These types of opinions may have an adverse effect on the Town's bond rating and our ability to borrow money at favorable interest rates. The Town has enjoyed an unmodified opinion on its financial statements for many years.

Financial Highlights

- The liabilities and deferred inflows of resources of the Town exceeded its assets and deferred outflows of resources at the close of the most recent year by \$20.8 million (net position).
- The Town recognized their net pension liability of \$144.9 million along with a deferred outflow and deferred inflow of resources related to pension of \$13.7 million and \$4.0 million, respectively, on the statement of net position.
- The Town recognized their net other postemployment liability of \$115.8 million along with a deferred outflow and deferred inflow of resources related to other postemployment benefits of \$9.1 million and \$7.1 million, respectively, on the statement of net position.
- At the close of the current year, the Town's general fund reported an ending fund balance of \$88.2 million, an increase of \$12.6 million in comparison with the prior year. Total fund balance represents 47.2% of total general fund expenditures. Approximately \$60.7 million of this total amount is available for appropriation at the Town's discretion, \$8.1 million is committed for capital articles approved by Town Meeting and \$19.4 million is assigned for encumbrances carried forward to the subsequent year, and amounts reserved for the fiscal year 2025 budget.
- The Town's total debt (short-term and long-term combined) was \$94.5 million at year end, a net decrease of \$6.4 million during the current year. During the current year, the Town issued \$10.5 million of short-term debt, while retiring \$12.2 million.

Town of Burlington, Massachusetts

Management's Discussion and Analysis

As of June 30, 2024

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. These basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The government-wide financial statements provide both long-term and short-term information about the Town as a whole. The fund financial statements focus on the individual components of the Town government, reporting the Town's operations in more detail than the government-wide statements. Both presentations (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison and enhance the Town's accountability. An additional part of the basic financial statements are the notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of finances in a manner similar to private sector business.

The statement of net position presents information on all of the Town's assets and deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the Town's financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (i.e. uncollected taxes and earned but unused vacation leave).

The government-wide financial statements report functions that are primarily supported by taxes and intergovernmental revenues (governmental activities). The governmental activities include general government, public safety, education, public works, human services, water and sewer, and culture and recreation.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information is useful in assessing the Town of Burlington's near-term financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

Town of Burlington, Massachusetts

Management's Discussion and Analysis

As of June 30, 2024

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town is reporting two major governmental funds that are presented separately in the governmental fund financial statements. The remaining non-major funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of combining statements elsewhere in this report.

In accordance with accounting standards, the Town reports fund balance components as nonspendable, restricted, committed, assigned and unassigned. Additionally, the Town's stabilization fund is reported within the general fund as unassigned. The Town adopts an annual appropriated budget for its general fund.

A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget. The budgetary comparison schedule is presented as Required Supplementary Information after the notes to the financial statements.

Proprietary funds. The Town maintains one proprietary fund.

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. The Town uses an internal service fund to account for health insurance activities. These services have been included within governmental activities in the government-wide financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Financial highlights. The following pages provide financial highlights of the government-wide financial statements for 2024 in comparison to 2023.

Government-wide Financial Analysis – Governmental Activities

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, government-wide liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$20.8 million at the close of 2024.

Town of Burlington, Massachusetts

Management's Discussion and Analysis

As of June 30, 2024

Net position of \$152.7 million reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, vehicles and equipment), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position totaling \$9.2 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position resulted in a \$141.1 million deficit, due to the cumulative effect of recording a \$144.9 million net pension liability and \$115.8 million net OPEB liability through June 30, 2024.

The governmental activities net position increased by approximately \$21.1 million during the current year. The underlying reason for the change was the \$18.4 million increase in the governmental funds, the capital additions exceeding depreciation by \$3.3 million, and the \$4.7 million decrease in debt service. The \$14.7 million of current year capital additions were financed by capital grants, general fund free cash transfers and prior bond proceeds. The net increase was reduced by the \$3.0 million increase in the net OPEB liability and related deferred inflows and outflows of resources and the \$3.2 million increase in the net pension liability and related deferred inflows and outflows of resources.

	June 30, 2024	June 30, 2023
Assets:		
Current assets.....	\$ 153,489,394	\$ 145,190,114
Capital assets, non depreciable.....	48,228,446	46,251,578
Capital assets, net of accumulated depreciation...	<u>184,453,206</u>	<u>183,146,992</u>
Total assets.....	<u>386,171,046</u>	<u>374,588,684</u>
 Deferred outflows of resources.....	<u>22,781,099</u>	<u>19,892,720</u>
 Liabilities:		
Current liabilities (excluding debt).....	19,094,488	27,679,017
Noncurrent liabilities (excluding debt).....	263,346,881	250,846,155
Current debt.....	27,214,452	28,875,514
Noncurrent debt.....	67,299,061	72,073,428
Total liabilities.....	<u>376,954,882</u>	<u>379,474,114</u>
 Deferred inflows of resources.....	<u>11,180,524</u>	<u>15,275,098</u>
 Net position:		
Net investment in capital assets.....	152,744,553	141,348,109
Restricted.....	9,201,486	8,557,730
Unrestricted.....	<u>(141,129,300)</u>	<u>(150,173,647)</u>
 Total net position.....	<u>\$ 20,816,739</u>	<u>\$ (267,808)</u>

Town of Burlington, Massachusetts

Management's Discussion and Analysis

As of June 30, 2024

	Year Ended:	
	June 30, 2024	June 30, 2023
Program Revenues:		
Charges for services.....	\$ 31,222,578	\$ 29,583,050
Operating grants and contributions.....	36,743,443	26,874,005
Capital grants and contributions.....	3,278,033	6,480,486
General Revenues:		
Real estate and personal property taxes, net of tax refunds payable.....	141,642,620	133,636,574
Tax and other liens.....	508,564	42,540
Motor vehicle and other excise taxes.....	5,161,542	4,639,460
Hotel/motel and meals tax.....	6,470,870	5,946,849
Penalties and interest on taxes.....	400,763	493,224
Payments in lieu of taxes.....	520,000	520,000
Grants and contributions not restricted to specific programs.....	3,256,706	3,150,180
Unrestricted investment income.....	6,250,892	3,173,061
Total revenues.....	235,456,011	214,539,429
Expenses:		
General government.....	12,516,895	11,503,497
Public safety.....	36,976,316	35,475,433
Education.....	120,022,378	108,756,973
Public works.....	17,231,305	15,443,417
Water and sewer.....	13,019,422	12,116,948
Human services.....	4,027,389	3,551,816
Culture and recreation.....	8,035,987	7,158,574
Interest.....	2,541,772	2,224,593
Total expenses.....	214,371,464	196,231,251
Change in net position.....	21,084,547	18,308,178
Net position, beginning of year.....	(267,808)	(18,575,986)
Net position, end of year.....	\$ 20,816,739	\$ (267,808)

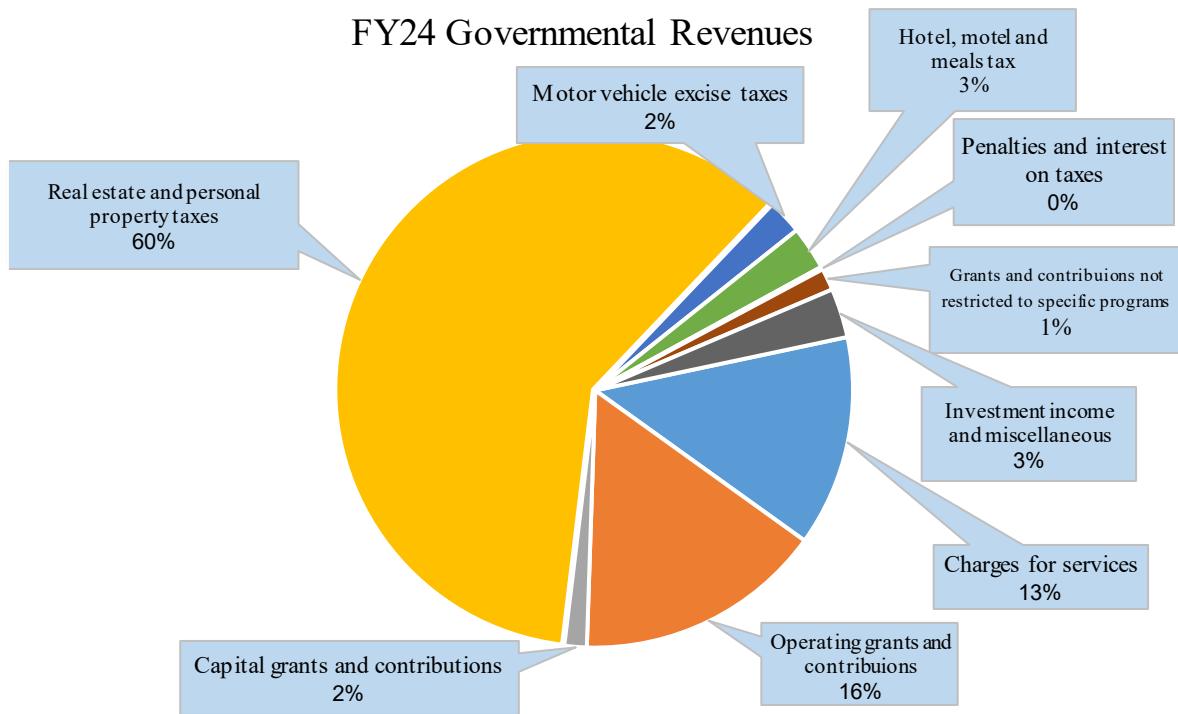
- Charges for services represent about 13.3% of governmental activities resources. The Town can exercise more control over this category of revenue than any other. Fees charged for services rendered that are set by the Select Board are included in this category. Most of these resources apply to water and sewer operations, police details and building permits. The increase over the prior year primarily relates to an increase in building permit revenues.
- Operating grants and contributions account for 15.6% of the governmental activities' resources. Most of these resources apply to education operations. Of the \$9.9 million increase from the prior year, \$1.9 million relates to an increase in the State's on behalf payment to the Massachusetts Teachers Retirement System, and \$5.7 million relates to an increase in ARPA state and local fiscal recovery funds recognized by the Town for various projects.

Town of Burlington, Massachusetts

Management's Discussion and Analysis

As of June 30, 2024

- Capital grants and contributions account for 1.4% of the governmental activities' resources. Most of these resources apply to roadway infrastructure and water/sewer improvements. The \$3.2 million decrease over the prior year relates to the fiscal year 2023 additional capital grants received from the state as part of the Town's connection to the MWRA for water services, and a small decrease in the Chapter 90 highway program projects.



- Property taxes are by far the most significant revenue source for the Town's governmental activities. They comprise 60.2% of all resources. Real estate and personal property tax collections increased 6.0% from the prior year, due to new growth. In Massachusetts, Proposition 2 ½ allows municipalities to increase tax levies up to 2 ½ percent of the prior levy limit adjusted for new construction and certain approved debt service.
- Other taxes and other revenues comprised a total of 9.6% of the governmental activities resources. These primarily include excise taxes, hotel motel and meals tax, penalties and interest on taxes, and investment earnings.
- Education is the largest governmental activity of the Town with 56.0% of total governmental expenses. Program revenues of \$33.8 million provided direct support to education and \$86.3 million in taxes and other general revenue were needed to cover the remaining 2024 operating expenses.
- Public safety and public works are the second and third largest activities of the Town. Approximately \$27.6 million and \$14.9 million, respectively, of taxes and other revenue were needed to cover their 2024 operating expenses.

Town of Burlington, Massachusetts

Management's Discussion and Analysis

As of June 30, 2024

Financial Analysis of the Government's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

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

At the end of the current year, the Town's governmental funds reported combined ending fund balances of \$99.7 million, an increase of \$18.4 million from the prior year. This increase is related to a \$12.6 million increase in the general fund due to positive budgetary results, a \$97,000 increase in the public works capital project fund due to the timing differences of construction expenditures and transfers in, and an increase in the nonmajor funds of \$5.6 million due primarily to the timing differences of the receipt of program funds and the related expenditures.

The general fund is the chief operating fund of the Town. The general fund balance increased by \$12.6 million during the current year. This increase is due to positive budgetary results of \$10.1 million from stronger than expected collections in investment income, licenses and permits and hotel and meals tax revenue categories. Another contributing factor was, with the exception of snow and ice, budgetary turn backs of appropriations by departments. Budgetary results are discussed further below. The results were further improved by an \$892,000 increase in the stabilization fund and a \$831,000 decrease in the estimated tax refunds payable.

At the end of the current year, unassigned fund balance of the general fund totaled \$60.7 million, while total fund balance was \$88.2 million. The \$8.1 million of committed fund balance represents amounts that have been appropriated for specific purposes. The \$19.4 million of assigned fund balance represents amounts that have been encumbered at year-end to meet contractual obligations at year-end. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 32.5% of total general fund expenditures, while total fund balance represents 47.2% of that same amount.

The Town also maintains a stabilization fund, which has been classified within the unassigned general fund balance in the governmental funds financial statements to remain compliant with GASB 54. The stabilization fund has a year-end balance of \$12.9 million which represents 6.9% of general fund expenditures. The funds can be used for general or capital purposes upon Town Meeting approval.

The public works capital projects fund is used to account for financial resources for the construction, reconstruction, and improvements to roadways, streets, sidewalks, drainage, and other infrastructure. The fund spent \$7.4 million on construction projects, mainly for the MWRA water connection and sewer infrastructure. The fund also reported a transfer in of \$7.5 million from the nonmajor grant fund and general fund. At the end of the current year, the fund had a deficit of \$10.4 million and notes payable of \$21.8 million. These projects are being funded by a combination of bonds, local revenues and grants.

Town of Burlington, Massachusetts

Management's Discussion and Analysis

As of June 30, 2024

General Fund Budgetary Highlights

The original 2024 budget consisted of approximately \$193.9 million in appropriations and other amounts to be raised, which included \$11.0 million in encumbrances and articles that were carried over from the prior year. The final general fund appropriation budget totaled \$197.3 million. The final budget increased by \$3.5 million from the original approved budget which was primarily due to an additional \$2.8 million use in free cash for transfers to reserves and operating capital.

General fund revenues came in over budget by \$12.9 million. The majority of this surplus, \$4.7 million, was generated investment income, while \$3.1 million related to hotel/motel and meals tax which has seen a rebound post COVID-19, and \$2.5 million was from licenses and permits, largely due to building permit revenue as the Town continues to experience significant growth, primarily commercial.

General fund expenditures and encumbrances were lower than final budget by \$3.9 million (2.0%), with the majority of the turnback occurring in the employee benefits and the education lines which turned back \$1.2 million and \$1.4 million, respectively.

Capital Asset and Debt Administration

Major capital additions during the period included the MWRA water connection, sewer infrastructure, building improvements, purchase of vehicles and equipment, and various other infrastructure improvements. At June 30, 2024, the Town's investment in capital assets totaled \$232.7 million.

In conjunction with the annual operating budget the Town annually prepares a capital budget for the upcoming year and a five-year Capital Improvement Plan (CIP) that is used as a guide for future capital expenditures.

The Town has a "AAA" bond rating from Standard and Poor's Ratings Services. The Town continues to maintain strong market access for both note and bond sales. During the current year the paid down \$4.3 million in principal payments. At the end of the year the Town had long-term debt outstanding of \$68.7 million, excluding unamortized bond premiums, of which \$28.0 million was related to the new DPW facility, \$12.0 million was related to school projects, \$3.7 million was related to road construction, \$6.3 million was related to water and sewer infrastructure, \$7.6 million was related to the fire station remodeling, and the balance of \$11.1 million was related to various other capital projects. Of the total long-term debt, \$66.2 million was classified as general obligation.

At June 30, 2024, the Town had \$22.4 million of short-term bond anticipation notes outstanding. The debt related to water infrastructure, the MWRA water connection, school feasibility studies and roads and sidewalks.

Please refer to notes 4, 6, and 7 to the financial statements for further discussion of the major capital and debt activity.

Town of Burlington, Massachusetts

Management's Discussion and Analysis

As of June 30, 2024

Requests for Information

This financial report is designed to provide a general overview of the Town of Burlington's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Accountant, 29 Center Street, Burlington, MA 01803.

Basic Financial Statements

Town of Burlington, Massachusetts

Statement of Net Position

June 30, 2024

	Governmental Activities
ASSETS	
CURRENT:	
Cash and cash equivalents.....	\$ 120,983,831
Investments.....	21,855,812
Receivables, net of allowance for uncollectibles:	
Real estate and personal property taxes.....	776,541
Tax liens.....	1,355,977
Motor vehicle excise taxes.....	180,936
Water and sewer fees.....	3,890,812
Departmental and other.....	1,637,962
Intergovernmental.....	2,715,681
Tax foreclosures.....	91,842
Total current assets.....	<u>153,489,394</u>
NONCURRENT:	
Capital assets, nondepreciable.....	48,228,446
Capital assets, net of accumulated depreciation.....	<u>184,453,206</u>
Total noncurrent assets.....	<u>232,681,652</u>
TOTAL ASSETS	<u>386,171,046</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions.....	13,650,312
Deferred outflows related to other postemployment benefits.....	<u>9,130,787</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>22,781,099</u>
LIABILITIES	
CURRENT:	
Warrants payable.....	2,751,285
Accrued payroll.....	4,802,770
Health claims payable.....	1,784,496
Tax refunds payable.....	2,589,000
Accrued interest.....	1,052,457
Other liabilities.....	1,572,480
Compensated absences.....	3,999,000
Workers' compensation.....	543,000
Notes payable.....	22,440,084
Long-term debt.....	<u>4,774,368</u>
Total current liabilities.....	<u>46,308,940</u>
NONCURRENT:	
Compensated absences.....	2,605,000
Net pension liability.....	144,914,077
Net OPEB liability.....	115,827,804
Long-term debt.....	<u>67,299,061</u>
Total noncurrent liabilities.....	<u>330,645,942</u>
TOTAL LIABILITIES	<u>376,954,882</u>
DEFERRED INFLOWS OF RESOURCES	
Taxes paid in advance.....	82,760
Deferred inflows related to pensions.....	4,024,026
Deferred inflows related to other postemployment benefits.....	<u>7,073,738</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>11,180,524</u>
NET POSITION	
Net investment in capital assets.....	152,744,553
Restricted for:	
Permanent funds:	
Expendable.....	487,707
Nonexpendable.....	894,071
Gifts and grants.....	7,819,708
Unrestricted.....	<u>(141,129,300)</u>
TOTAL NET POSITION	<u>\$ 20,816,739</u>

See notes to basic financial statements.

Town of Burlington, Massachusetts

Statement of Activities

Year Ended June 30, 2024

Functions/Programs	Program Revenues					Net (Expense) Revenue
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Primary Government:						
<i>Governmental Activities:</i>						
General government.....	\$ 12,516,895	\$ 2,138,746	\$ 7,575,797	\$ -	\$ (2,802,352)	
Public safety.....	36,976,316	8,971,047	436,075	-	(27,569,194)	
Education.....	120,022,378	5,861,632	27,551,260	343,185	(86,266,301)	
Public works.....	17,231,305	662,103	99,286	1,534,000	(14,935,916)	
Water and sewer.....	13,019,422	12,129,185	-	1,357,902	467,665	
Human services.....	4,027,389	370,758	811,254	42,946	(2,802,431)	
Culture and recreation.....	8,035,987	1,089,107	269,771	-	(6,677,109)	
Interest.....	2,541,772	-	-	-	(2,541,772)	
Total Primary Government.....	\$ 214,371,464	\$ 31,222,578	\$ 36,743,443	\$ 3,278,033	\$ (143,127,410)	

See notes to basic financial statements.

Town of Burlington, Massachusetts

Statement of Activities (continued)

Year Ended June 30, 2024

	<u>Primary Government</u>
	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue from previous page.....	\$ (143,127,410)
<i>General revenues:</i>	
Real estate and personal property taxes, net of tax refunds payable.....	141,642,620
Tax and other liens.....	508,564
Motor vehicle excise taxes.....	5,161,542
Hotel/motel and meals taxes.....	6,470,870
Penalties and interest on taxes.....	400,763
Payments in lieu of taxes.....	520,000
Grants and contributions not restricted to specific programs.....	3,256,706
Unrestricted investment income.....	<u>6,250,892</u>
	<u>164,211,957</u>
Change in net position.....	21,084,547
<i>Net position:</i>	
Beginning of year.....	<u>(267,808)</u>
End of year.....	\$ <u>20,816,739</u>

See notes to basic financial statements.

Town of Burlington, Massachusetts

**Governmental Funds
Balance Sheet**

June 30, 2024

	General	Public Works Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents.....	\$ 83,850,354	\$ 11,672,709	\$ 21,525,939	\$ 117,049,002
Investments.....	12,806,608	-	1,128,979	13,935,587
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	776,541	-	-	776,541
Tax liens.....	1,355,977	-	-	1,355,977
Motor vehicle excise taxes.....	180,936	-	-	180,936
Water and sewer fees.....	3,890,812	-	-	3,890,812
Departmental and other.....	412,326	-	408,270	820,596
Intergovernmental.....	-	-	2,715,681	2,715,681
Tax foreclosures.....	91,842	-	-	91,842
TOTAL ASSETS	\$ 103,365,396	\$ 11,672,709	\$ 25,778,869	\$ 140,816,974
LIABILITIES				
Warrants payable.....	\$ 1,415,845	\$ 266,128	\$ 1,069,312	\$ 2,751,285
Accrued payroll.....	4,782,601	-	20,169	4,802,770
Tax refunds payable.....	2,589,000	-	-	2,589,000
Other liabilities.....	153,599	-	1,056,580	1,210,179
Notes payable.....	-	21,821,237	618,847	22,440,084
TOTAL LIABILITIES	8,941,045	<b">22,087,365</b">	<b">2,764,908</b">	<b">33,793,318</b">
DEFERRED INFLOWS OF RESOURCES				
Taxes paid in advance.....	82,760	-	-	82,760
Unavailable revenue.....	6,131,367	-	1,150,822	7,282,189
TOTAL DEFERRED INFLOWS OF RESOURCES ...	6,214,127	<b">-</b">	<b">1,150,822</b">	<b">7,364,949</b">
FUND BALANCES				
Nonspendable.....	-	-	894,071	894,071
Restricted.....	-	-	21,169,076	21,169,076
Committed.....	8,135,383	-	-	8,135,383
Assigned.....	19,363,568	-	-	19,363,568
Unassigned.....	60,711,273	(10,414,656)	(200,008)	50,096,609
TOTAL FUND BALANCES	88,210,224	(10,414,656)	21,863,139	99,658,707
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 103,365,396	\$ 11,672,709	\$ 25,778,869	\$ 140,816,974

See notes to basic financial statements.

Town of Burlington, Massachusetts

**Reconciliation of the Governmental Balance Sheet Total
Fund Balances to Statement of Net Position**

June 30, 2024

Total governmental fund balances.....	\$ 99,658,707
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	232,681,652
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....	7,282,189
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.....	11,683,335
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....	10,525,623
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(1,052,457)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Long-term debt.....	(72,073,429)
Net pension liability.....	(144,914,077)
Net OPEB liability.....	(115,827,804)
Workers' compensation.....	(543,000)
Compensated absences.....	<u>(6,604,000)</u>
Net effect of reporting long-term liabilities.....	<u>(339,962,310)</u>
Net position of governmental activities.....	<u>\$ 20,816,739</u>

Town of Burlington, Massachusetts

Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2024

	General	Federal Grants	Public Works Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 141,807,184	\$ -	\$ -	\$ -	\$ 141,807,184
Tax liens.....	176,024	-	-	-	176,024
Motor vehicle excise taxes.....	5,167,329	-	-	-	5,167,329
Hotel/motel and meals taxes.....	6,470,870	-	-	-	6,470,870
Water and sewer charges.....	11,839,112	-	-	-	11,839,112
Ambulance.....	871,356	-	-	-	871,356
Penalties and interest on taxes.....	400,763	-	-	-	400,763
Fees and rentals.....	316,204	-	-	-	316,204
Payments in lieu of taxes.....	520,000	-	-	-	520,000
Licenses and permits.....	3,706,514	-	-	-	3,706,514
Intergovernmental - state aid.....	12,626,910	-	-	-	12,626,910
Intergovernmental - Teachers Retirement.....	12,246,887	-	-	-	12,246,887
Intergovernmental.....	-	25,000	18,513,629	18,538,629	
Departmental and other.....	1,478,232	-	-	11,769,668	13,247,900
Contributions and donations.....	-	-	-	179,304	179,304
Investment income.....	5,546,593	-	-	161,554	5,708,147
Miscellaneous.....	267,770	-	-	207,394	475,164
TOTAL REVENUES.....	203,441,748	-	25,000	30,831,549	234,298,297
EXPENDITURES:					
Current:					
General government.....	6,734,997	-	-	1,004,920	7,739,917
Public safety.....	21,424,192	-	-	3,146,053	24,570,245
Education.....	78,499,046	-	-	12,729,483	91,228,529
Public works.....	10,886,578	-	7,428,415	2,030,717	20,345,710
Water and sewer.....	11,888,611	-	-	479,150	12,367,761
Human services.....	1,925,421	-	-	803,379	2,728,800
Culture and recreation.....	4,183,188	-	-	1,266,394	5,449,582
Pension benefits.....	13,403,482	-	-	-	13,403,482
Pension benefits - Teachers Retirement.....	12,246,887	-	-	-	12,246,887
Employee benefits.....	17,524,592	-	-	-	17,524,592
State and county charges.....	948,594	-	-	-	948,594
Debt service:					
Principal.....	4,235,132	-	-	65,000	4,300,132
Interest.....	3,045,867	-	-	17,875	3,063,742
TOTAL EXPENDITURES.....	186,946,587	-	7,428,415	21,542,971	215,917,973
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....					
	16,495,161	-	(7,403,415)	9,288,578	18,380,324
OTHER FINANCING SOURCES (USES):					
Transfers in.....	1,682,695	-	7,500,000	4,543,989	13,726,684
Transfers out.....	(5,534,189)	-	-	(8,192,495)	(13,726,684)
TOTAL OTHER FINANCING SOURCES (USES).....	(3,851,494)	-	7,500,000	(3,648,506)	-
NET CHANGE IN FUND BALANCES.....	12,643,667	-	96,585	5,640,072	18,380,324
FUND BALANCES, 6/30/2023, AS PREVIOUSLY REPORTED.....	75,566,557	142,001	(10,511,241)	16,081,066	81,278,383
ADJUSTMENT - CHANGE FROM MAJOR TO NONMAJOR FUND....	-	(142,001)	-	142,001	-
FUND BALANCES, 6/30/2023, AS PREVIOUSLY REPORTED.....	75,566,557	-	(10,511,241)	16,223,067	81,278,383
FUND BALANCES AT END OF YEAR.....	\$ 88,210,224	\$ -	\$ (10,414,656)	\$ 21,863,139	\$ 99,658,707

See notes to basic financial statements.

Town of Burlington, Massachusetts

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities**

Year Ended June 30, 2024

Net change in fund balances - total governmental funds.....	\$ 18,380,324
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay.....	14,724,059
Depreciation expense.....	<u>(11,440,977)</u>
Net effect of reporting capital assets.....	3,283,082
Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. This amount represents the net change in unavailable revenue.....	
	614,969
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.	
Net amortization of premium from issuance of debt.....	446,049
Debt service principal payments.....	<u>4,300,132</u>
Net effect of reporting long-term debt.....	4,746,181
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Net change in compensated absences accrual.....	728,000
Net change in accrued interest on long-term debt.....	75,921
Net change in deferred outflow/(inflow) of resources related to pensions.....	<u>(1,768,620)</u>
Net change in net pension liability.....	<u>(1,405,884)</u>
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits.....	8,279,922
Net change in net OPEB liability.....	<u>(11,314,842)</u>
Net change in workers' compensation liability.....	<u>(187,000)</u>
Net effect of recording long-term liabilities.....	(5,592,503)
The net activity of internal service funds is reported with Governmental Activities.....	
	<u>(347,506)</u>
Change in net position of governmental activities.....	<u>\$ 21,084,547</u>

See notes to basic financial statements.

Town of Burlington, Massachusetts

Proprietary Funds
Statement of Net Position

June 30, 2024

	Governmental Activities - Internal Service Fund
ASSETS	
CURRENT:	
Cash and cash equivalents.....	\$ 3,934,829
Investments.....	7,920,225
Receivables, net of allowance for uncollectibles:	
Departmental and other.....	<u>817,366</u>
TOTAL ASSETS	<u>12,672,420</u>
LIABILITIES	
CURRENT:	
Warrants payable.....	362,301
Health claims payable.....	<u>1,784,496</u>
TOTAL LIABILITIES	<u>2,146,797</u>
NET POSITION	
Unrestricted.....	<u>\$ 10,525,623</u>

See notes to basic financial statements.

Town of Burlington, Massachusetts

Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2024

	Governmental Activities - Internal Service Fund
OPERATING REVENUES:	
Employee contributions.....	\$ 5,847,640
Employer contributions.....	<u>10,812,890</u>
TOTAL OPERATING REVENUES	<u>16,660,530</u>
OPERATING EXPENSES:	
Employee benefits.....	<u>17,550,781</u>
OPERATING INCOME (LOSS).....	(890,251)
NONOPERATING REVENUES (EXPENSES):	
Investment income.....	<u>542,745</u>
CHANGE IN NET POSITION.....	(347,506)
NET POSITION AT BEGINNING OF YEAR.....	<u>10,873,129</u>
NET POSITION AT END OF YEAR.....	\$ <u>10,525,623</u>

See notes to basic financial statements.

Town of Burlington, Massachusetts

Proprietary Funds
Statement of Cash Flows

Year Ended June 30, 2024

	Governmental Activities - Internal Service Fund
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:	
Receipts from interfund services provided.....	\$ 16,660,530
Payments for interfund services used.....	<u>(18,178,845)</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>(1,518,315)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investments.....	(415,533)
Investment income.....	<u>542,745</u>
NET CASH FROM INVESTING ACTIVITIES.....	<u>127,212</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(1,391,103)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	<u>5,325,932</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	<u>\$ 3,934,829</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:	
Operating income (loss).....	\$ (890,251)
Adjustments to reconcile operating income to net cash from operating activities:	
Changes in assets and liabilities:	
Departmental and other.....	(795,093)
Warrants payable.....	12,569
Health claims payable.....	<u>154,460</u>
Total adjustments.....	<u>(628,064)</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>\$ (1,518,315)</u>

See notes to basic financial statements.

Town of Burlington, Massachusetts

Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2024

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Fund
ASSETS		
Cash and cash equivalents.....	\$ -	\$ 28,708
Investments:		
Investments in Pension Reserve Investment Trust.....	<u>17,859,994</u>	-
TOTAL ASSETS.....	<u>17,859,994</u>	<u>28,708</u>
NET POSITION		
Restricted for other postemployment benefits.....	17,859,994	-
Held in trust for other purposes.....	-	<u>28,708</u>
TOTAL NET POSITION.....	<u>17,859,994</u>	<u>\$ 28,708</u>

See notes to basic financial statements.

Town of Burlington, Massachusetts

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2024

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Fund
ADDITIONS:		
Contributions:		
Employer contributions.....	\$ 1,018,430	\$ -
Employer contributions for other postemployment benefit payments.....	6,267,574	-
Private donations.....	-	22,259
Total contributions.....	<u>7,286,004</u>	<u>22,259</u>
Net investment income:		
Investment income (loss).....	1,623,914	1,217
Less: investment expense.....	<u>(87,667)</u>	<u>-</u>
Net investment income.....	<u>1,536,247</u>	<u>1,217</u>
TOTAL ADDITIONS	<u>8,822,251</u>	<u>23,476</u>
DEDUCTIONS:		
Other postemployment benefit payments.....	6,267,574	-
Educational scholarships.....	-	33,529
TOTAL DEDUCTIONS	<u>6,267,574</u>	<u>33,529</u>
NET INCREASE (DECREASE) IN NET POSITION	<u>2,554,677</u>	<u>(10,053)</u>
NET POSITION AT BEGINNING OF YEAR	<u>15,305,317</u>	<u>38,761</u>
NET POSITION AT END OF YEAR	<u>\$ 17,859,994</u>	<u>\$ 28,708</u>

See notes to basic financial statements.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Town of Burlington, Massachusetts (Town) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The Town's significant accounting policies are described herein.

A. Reporting Entity

The Town of Burlington, Massachusetts is a municipal corporation that is governed by an elected Select Board. As required by GAAP, these basic financial statements present the government and its component units, entities for which the Town is considered to be financially accountable.

For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (the primary government) and its component units. The Town has no component units that require inclusion in these basic financial statements.

Joint Ventures

A joint venture is an organization (resulting from a contractual arrangement) that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain an ongoing financial interest or ongoing financial responsibility. Joint control means that no single participant has the ability to unilaterally control the financial or operating policies of the joint venture.

The Town is a member of the Shawsheen Valley Technical High School that serves the members' students seeking an education in academic, technical and agriculture studies. Shawsheen Valley Technical High School is governed by a nine-member school committee consisting of two voting appointed representatives from the Town of Burlington. The members' share in the operations of the Shawsheen Valley Technical High School and each member is responsible for its proportionate share of the operational and capital cost of the Shawsheen Valley Technical High School, which are paid in the form of assessments. The Town does not have an equity interest in the Shawsheen Valley Technical High School and the 2024 assessment was \$2,976,385. The School issues a publicly available audited financial report that may be obtained by contacting the School located at 100 Cook Street, Billerica, MA 01821.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government. *Governmental activities* are primarily supported by taxes, charges for services and intergovernmental revenues. The Town does not report any *business-type activities*.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and displayed in a single column.

Major Fund Criteria

Major funds must be reported if the following criteria are met:

- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of an individual governmental fund are at least 10 percent of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental funds), *and*
- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding element for all governmental funds combined.

Additionally, any other governmental fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

Internal service funds and fiduciary funds are reported by fund type.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

The statement of activities demonstrates the degree to which the direct expenses of a particular function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

Taxes and other items not identifiable as program revenues are reported as general revenues. The effect of interfund activity has been removed from the government-wide financial statements. However, the effect of interfund services provided and used between functions is not eliminated as the elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

Real estate and personal property tax revenues are considered available if they are collected within 60 days after year-end. Investment income is susceptible to accrual. Other receipts and tax revenues become measurable and available when the cash is received and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred, and all other grant requirements are met.

The following major governmental funds are reported:

The *general fund* is the primary operating fund. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

The *public works capital projects fund* is used to account for financial resources for the construction, reconstruction, and improvements to roadways, streets, sidewalks, and other infrastructure.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

The *nonmajor governmental funds* consist of other special revenue, capital projects and permanent funds that are aggregated and presented in the *nonmajor governmental funds* column on the governmental funds financial statements. The following describes the general use of these fund types:

The *special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than permanent funds or capital projects.

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets of the governmental funds.

The *permanent fund* is used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

Proprietary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following proprietary fund type is reported:

The *internal service fund* is used to account for the financing of services provided by one department to other departments or governmental units. The Town accounts for its risk financing activities related to health insurance in the internal service fund.

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the governmental programs.

The following fiduciary fund types are reported:

The *other postemployment benefit trust fund* is used to accumulate resources to provide funding for future other postemployment benefits (OPEB) liabilities.

The *private-purpose trust fund* is used to account for trust arrangements that exclusively benefit individuals, private organizations, or other governments. Some of these trusts have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. The donor restrictions and trustee policies only allows the trustees to authorize spending of the realized investment earnings. The Town's educational scholarship trust activity is accounted for in this fund.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

D. Cash and Investments

Government-Wide and Fund Financial Statements

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. Investments are carried at fair value.

E. Fair Value Measurements

The Town reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, and mutual funds with quoted market prices in active markets.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Town's financial instruments, see Note 2 – Cash and Investments.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

F. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and the proprietary funds and fiduciary funds financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements are reported under the modified accrual basis of accounting.

Real Estate, Personal Property Taxes and Tax Liens

Real estate and personal property taxes are levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on August 1st, November 1st, February 1st and May 1st and are subject to penalties and interest if they are not paid by the respective due date. Real estate tax liens are processed by the last day in September following the last billing cycle on delinquent properties. Real estate and personal property taxes levied are recorded as receivables in the year of the levy.

Real estate tax liens are processed six months after the close of the valuation year on delinquent properties and are recorded as receivables in the year they are processed. Real estate receivables are secured via the tax lien process and are considered 100% collectible. Accordingly, an allowance for uncollectibles is not reported.

Personal property taxes cannot be secured through the lien process. The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

Motor Vehicle Excise Taxes

Motor vehicle excise taxes are assessed annually for each vehicle registered in the Town and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value.

The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Water and Sewer Fees

User fees are levied monthly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Water and sewer liens are processed in December of every year and included as a lien on the property owner's tax bill. Water and sewer fees and liens are recorded as receivables in the year of the levy.

Since the receivables are secured via the lien process, these accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

The revenue generated by the water rates is designed to cover all operation and maintenance costs associated with the production of water, maintenance of water facilities and operation and maintenance of the water main infrastructure. The revenue generated by the sewer rates is designed to cover the costs of the Massachusetts Water Resources Authority (MWRA) assessment.

Both water and sewer capital costs are funded through other general fund revenues, grants and long-term debt issuances.

Departmental and Other

Departmental and other receivables consist primarily of police and fire details, and ambulance fees are recorded as receivables in the year accrued. The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

Intergovernmental

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recorded as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recorded when the qualifying expenditures are incurred and all other grant requirements are met.

These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

G. Capital Assets

Government-Wide Financial Statements

Capital assets, which include land, construction in progress, land improvements, buildings, machinery and equipment, vehicles, and infrastructure (e.g., roads, water mains, sewer mains, and similar items), are reported in the government-wide financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets; and similar assets; and capital assets received in service concession arrangements are recorded at acquisition value.

All purchases and construction costs in excess of \$25,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

Capital assets (excluding land and construction in progress) are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Land improvements.....	20
Buildings.....	40
Buildings and improvements.....	20-40
Machinery and equipment.....	5-10
Vehicles.....	5-20
Infrastructure.....	20-50

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

Governmental Fund Financial Statements

Capital asset costs are recorded as expenditures in the acquiring fund in the year of the purchase.

H. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Town has reported deferred outflows of resources related to OPEB and pensions in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town recorded deferred inflows of resources related to OPEB, pensions, and advance tax collections in this category.

Governmental Fund Financial Statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents assets that have been recorded in the governmental fund financial statements but

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

the revenue is not available and so will *not* be recognized as an inflow of resources (revenue) until it becomes available. The Town has recorded unavailable revenue and advance tax collections as deferred inflows of resources in the governmental funds balance sheet.

I. Interfund Receivables and Payables

During the course of its operations, transactions occur between and within individual funds that may result in amounts owed between funds.

Government-Wide Financial Statements

Transactions of a buyer/seller nature between and within governmental funds and internal service funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of net position as “internal balances.”

Fund Financial Statements

Transactions of a buyer/seller nature between and within funds are not eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as “Due from other funds” or “Due to other funds” on the balance sheet.

J. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out.

Government-Wide Financial Statements

Transfers between and within governmental funds and internal service funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as “Transfers, net.”

Fund Financial Statements

Transfers between and within funds are not eliminated from the individual fund statements and are reported as transfers in and transfers out.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

K. Net Position and Fund Equity

Government-Wide Financial Statements (Net Position)

Net position reported as “net investment in capital assets” includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital assets.

Net position is reported as restricted when amounts that are not available for appropriation or are legally restricted by outside parties for a specific future use.

Net position has been “restricted for” the following:

“Permanent funds – nonexpendable” represents the endowment portion of donor-restricted trusts that support governmental programs.

“Permanent funds – expendable” represents the amount of realized and unrealized investment earnings of donor-restricted trusts. The donor restrictions and trustee policies only allows the trustees to approve spending of the realized investment earnings that support governmental programs.

“Gifts and grants” represents restrictions placed on assets from outside parties such as gifts, and state and federal grants.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Financial Statements (Fund Balances)

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The governmental fund balance classifications are as follows:

“Nonspendable” fund balance includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

“Restricted” fund balance includes amounts subject to constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or that are imposed by law through constitutional provisions or enabling legislation.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town’s highest level of decision-making authority. Town Meeting is the high level of decision-making authority that can, by adoption of a Town Meeting warrant article, commit funds for a specific purpose. Once voted, the limitation imposed by the vote remains in place until the funds are used for their intended purpose or a vote is taken to rescind the commitment.

“Assigned” fund balance includes amounts that are constrained by the Town’s intent to be used for specific purposes but are neither restricted nor committed. The Town Accountant is authorized to assign fund balance. Funds are assigned when the Town has an obligation to purchase goods or services from the current years’ appropriation. Assignments generally only exist temporarily. Additional action does not have to be taken for the removal of an assignment.

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The Town’s spending policy is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance. Most governmental funds are designated for one purpose at the time of their creation. Therefore, any expenditure from the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. The general fund and certain other funds may have more than one purpose.

L. Long-Term Debt

Government-Wide and Proprietary Fund Financial Statements

Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Long-term debt payable is reported net of the applicable bond premium or discount.

Governmental Fund Financial Statements

The face amount of governmental funds long-term debt is reported as other financing sources. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

M. 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 Middlesex County Retirement System (MCRS) and the Massachusetts Teachers Retirement System (MTRS). Additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the Systems. 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.

N. Investment Income

Excluding the permanent funds, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Law (MGL).

O. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and executive policies.

Government-Wide and Proprietary Fund Financial Statements

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

Governmental Fund Financial Statements

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon maturity of the liability.

P. Use of Estimates

Government-Wide and Fund Financial Statements

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the year. Actual results could vary from estimates that were used.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

Q. Total Column

Fund Financial Statements

The total column on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

R. Fund Deficits

An individual fund deficit existed at June 30, 2024, in the Public Works Capital Projects and nonmajor School capital projects fund. These deficits will be funded by future bond proceeds.

NOTE 2 – CASH AND INVESTMENTS

A cash and investment pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "Cash and Cash Equivalents". The deposits and investments of trust funds are held separately from those of other funds. Statutes authorize the repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (Pool). In addition, there are various restrictions limiting the amount and length of deposits and investments.

The Town participates, as a Participating member, in the Pension Reserves Investment Trust (PRIT), which meets the criteria of an external investment pool. PRIT is administered by the Pension Reserves Investment Management Board, which was established by the Treasurer of the Commonwealth who serves as trustee. The fair value of the position in the Pool is the same as the value of the Pool shares.

The PRIT fund, as a pool, invests in various products including, but not limited to, money market mutual funds, equities, pooled foreign and domestic fixed income and equity funds, United States government sponsored enterprises and Treasury notes, real estate, and commodities. The underlying components of PRIT's fixed income portfolio had an effective weighted duration rate ranging from 2.98 to 14.57 years. There is no credit quality rating for the fund.

MMDT maintains a cash portfolio with a weighted average maturity of 43 days.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that, in the event of a bank failure, the Town's deposits may not be returned. At year-end, the carrying amount of deposits totaled \$109,470,660 and the bank balance totaled \$112,611,493. Of the bank balance, \$1,323,784 was covered by Federal Depository Insurance, \$104,565,018 was collateralized, and \$6,722,691 was exposed to custodial credit risk because it was uninsured and uncollateralized. The Town has not adopted a formal investment policy related to custodial credit risk of deposits.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

Investments

As of June 30, 2024, the Town had the following investments:

Investment Type	Fair value	Maturities			
		Under 1 Year	1-5 Years	6-10 Years	Over 10 Years
Debt securities:					
U.S. treasury notes.....	\$ 5,596,737	\$ 1,498,710	\$ 3,404,155	\$ 693,872	\$ -
Government sponsored enterprises.....	1,576,470	664,213	684,847	-	227,410
Corporate bonds.....	<u>2,728,007</u>	<u>728,602</u>	<u>1,707,280</u>	<u>292,125</u>	<u>-</u>
Total debt securities.....	9,901,214	<u>\$ 2,891,525</u>	<u>\$ 5,796,282</u>	<u>\$ 985,997</u>	<u>\$ 227,410</u>
Other investments:					
Equity securities.....	8,657,515				
Fixed income securities.....	3,297,083				
Money market mutual funds.....	335,688				
Pension Reserve Investment Trust (PRIT)....	17,859,994				
MMDT - Cash portfolio.....	<u>11,206,191</u>				
Total investments.....	\$ <u>51,257,685</u>				

Custodial Credit Risk – Investments

For an investment, there is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investments in debt securities and equity securities all have custodial credit risk exposure. The investments in PRIT and shares of MMDT are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book-entry form.

The Town has not adopted a formal investment policy related to custodial credit risk for investments.

Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates for most investment types.

The Town's investment policy regarding repurchase agreements is as follows; utilize repurchase agreements only on a limited basis and then only with major Massachusetts financial institutions when no other more favorable action is possible and then only of a duration of no more than three days.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

Credit Risk

The Town's formal investment policy regarding credit risk states the Treasurer shall subscribe to information reports from a recognized bank rating company. Direct investment in an institution shall be restricted to those ranked in the upper half of rating categories utilized by said company unless the Treasurer obtains additional adequate security for the investment or otherwise determines and documents in writing that the rating provided does not properly reflect the strength of the institution. Maintenance of disbursement or other types of accounts at institutions below a mid-range rating shall be limited, to the maximum extent possible, to a balance below \$100,000. When the rating falls to a "warning stage" or when more than one-half of an institution's capital and surplus has been lost in a 12-month period, any accounts shall be closed forthwith.

At June 30, 2024, the Town's investments were rated as follows:

<u>Quality Rating</u>	<u>Government Sponsored Enterprises</u>	<u>Corporate Bonds</u>
AA+.....	\$ 1,576,470	\$ -
AA-.....	-	341,501
A+.....	-	292,125
A.....	-	404,901
A-.....	-	740,157
BBB+.....	-	667,258
BBB.....	<u>-</u>	<u>282,065</u>
Total.....	<u>\$ 1,576,470</u>	<u>\$ 2,728,007</u>

Investments in MMDT and PRIT are unrated.

Concentration of Credit Risk

The Town has adopted a policy on the amount that may be invested in any one issuer. The policy is as follows; investment in a single institution may not exceed 10% of the institution's capital and surplus position as of the most recent quarterly data available to the Treasurer, nor may any investment in a single institution (other than MMDT) exceed 35% of the Treasurer's cash balance at any time. Up to 100% of available cash may be invested in the State's Treasurer's pooled fund.

As of June 30, 2024, the Town did not have more than 5% of its investments in any one individual security.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

Fair Value of Investments

The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Town's mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town chooses a tabular format for disclosing the levels within the fair value hierarchy.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Town had the following recurring fair value measurements as of June 30, 2024:

Investment Type	June 30, 2024	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
		(Level 1)	(Level 2)	(Level 3)
Investments measured at fair value:				
<u>Debt securities:</u>				
U.S. treasury notes.....	\$ 5,596,737	\$ -	\$ 5,596,737	\$ -
Government sponsored enterprises.....	1,576,470	-	1,576,470	-
Corporate bonds.....	2,728,007	-	2,728,007	-
Total debt securities.....	<u>9,901,214</u>	-	<u>9,901,214</u>	-
<u>Other investments:</u>				
Equity securities.....	8,657,515	8,657,515	-	-
Fixed income securities.....	3,297,083	3,297,083	-	-
Money market mutual funds.....	335,688	335,688	-	-
Total other investments.....	<u>12,290,286</u>	<u>12,290,286</u>	-	-
Total investments measured at fair value.....	<u>22,191,500</u>	<u>\$ 12,290,286</u>	<u>\$ 9,901,214</u>	<u>\$ -</u>
Investments measured at amortized cost:				
MMDT - Cash portfolio.....	<u>11,206,191</u>			
Investments measured at net asset value:				
Pension Reserve Investment Trust (PRIT)...	<u>17,859,994</u>			
Total investments.....	<u>\$ 51,257,685</u>			

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

Fixed income securities, equity securities and money market mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Government sponsored enterprises, U.S. treasury notes, corporate bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The Town does not have investments classified in Level 3.

PRIT investments are valued using the net asset value method. This investment pool was established by the Treasurer of the Commonwealth of Massachusetts, who serves as Trustee. PRIT is administered by the Pension Reserves Investment Management Board (PRIM). The fair values of the positions in each investment Pool are the same as the value of each Pool's shares. The Town does not have the ability to control any of the investment decisions relative to its funds in PRIT.

MMDT, which is an external investment pool that is overseen by the Treasurer of the Commonwealth of Massachusetts, meets the criteria established by GASB 79, "Certain External Investment Pools and Pool Participants", to report its investments at amortized cost; therefore, the Town reports its investments in MMDT at amortized cost which approximates the net asset value of \$1.00 per share. MMDT has a maturity of less than 1 year and is not rated.

NOTE 3 – RECEIVABLES

At June 30, 2024, receivables for the individual major governmental funds and nonmajor and internal service fund in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

<u>Receivables:</u>	<u>Allowance</u>		
	<u>Gross</u> <u>Amount</u>	<u>for</u> <u>Uncollectibles</u>	<u>Net</u> <u>Amount</u>
Real estate and personal property taxes....	\$ 1,171,541	\$ (395,000)	\$ 776,541
Tax liens.....	1,355,977	-	1,355,977
Motor vehicle excise taxes.....	909,936	(729,000)	180,936
Water and sewer fees.....	3,890,812	-	3,890,812
Departmental and other.....	2,236,162	(598,200)	1,637,962
Intergovernmental grants.....	2,715,681	-	2,715,681
Total.....	\$ 12,280,109	\$ (1,722,200)	\$ 10,557,909

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

Governmental funds report *unavailable revenues* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current year, the various components of *unavailable revenues* reported in the governmental funds were as follows:

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<u>Receivables and other asset type:</u>			
Real estate and personal property taxes.....	\$ 199,474	\$ -	\$ 199,474
Tax liens.....	1,355,977	-	1,355,977
Motor vehicle excise taxes.....	180,936	-	180,936
Water and sewer fees.....	3,890,812	-	3,890,812
Departmental and other.....	412,326	408,270	820,596
Intergovernmental.....	-	742,552	742,552
Tax foreclosures.....	<u>91,842</u>	<u>-</u>	<u>91,842</u>
Total.....	<u>\$ 6,131,367</u>	<u>\$ 1,150,822</u>	<u>\$ 7,282,189</u>

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 18,595,910	\$ -	\$ -	\$ 18,595,910
Construction in progress.....	<u>27,655,668</u>	<u>9,738,836</u>	<u>(7,761,968)</u>	<u>29,632,536</u>
Total capital assets not being depreciated..	<u>46,251,578</u>	<u>9,738,836</u>	<u>(7,761,968)</u>	<u>48,228,446</u>
<u>Capital assets being depreciated:</u>				
Land improvements.....	9,581,461	89,652	-	9,671,113
Buildings.....	93,766,400	-	-	93,766,400
Buildings and improvements.....	87,743,843	1,695,467	-	89,439,310
Machinery and equipment.....	16,272,306	772,620	(201,907)	16,843,019
Vehicles.....	14,299,145	694,117	(118,728)	14,874,534
Infrastructure.....	<u>155,734,563</u>	<u>9,495,335</u>	<u>-</u>	<u>165,229,898</u>
Total capital assets being depreciated.....	<u>377,397,718</u>	<u>12,747,191</u>	<u>(320,635)</u>	<u>389,824,274</u>
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(5,078,716)	(311,323)	-	(5,390,039)
Buildings.....	(46,730,939)	(1,691,714)	-	(48,422,653)
Buildings and improvements.....	(27,216,510)	(3,756,241)	-	(30,972,751)
Machinery and equipment.....	(12,425,726)	(1,133,072)	201,907	(13,356,891)
Vehicles.....	(9,588,663)	(988,275)	118,728	(10,458,210)
Infrastructure.....	<u>(93,210,172)</u>	<u>(3,560,352)</u>	<u>-</u>	<u>(96,770,524)</u>
Total accumulated depreciation.....	<u>(194,250,726)</u>	<u>(11,440,977)</u>	<u>320,635</u>	<u>(205,371,068)</u>
Total capital assets being depreciated, net.....	<u>183,146,992</u>	<u>1,306,214</u>	<u>-</u>	<u>184,453,206</u>
Total governmental activities capital assets, net....	<u>\$ 229,398,570</u>	<u>\$ 11,045,050</u>	<u>\$ (7,761,968)</u>	<u>\$ 232,681,652</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General government.....	\$ 1,071,443
Public safety.....	1,073,399
Education.....	2,685,011
Public works.....	5,957,987
Human services.....	10,386
Culture and recreation.....	<u>642,751</u>

Total depreciation expense - governmental activities... \$ 11,440,977

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

NOTE 5 – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2024, are summarized as follows:

Transfers Out:	Transfers In:			
	General fund	Public Works Capital Projects	Nonmajor governmental funds	Total
General fund.....	\$ -	\$ 1,500,000	\$ 4,034,189	\$ 5,534,189 (1)
Nonmajor governmental funds.....	<u>1,682,695</u>	<u>6,000,000</u>	<u>509,800</u>	<u>8,192,495</u> (2)
Total.....	<u>\$ 1,682,695</u>	<u>\$ 7,500,000</u>	<u>\$ 4,543,989</u>	<u>\$ 13,726,684</u>

- (1) Represents budgeted transfers from the general fund to the public works capital projects fund and various nonmajor funds primarily for capital and for BAN paydowns.
- (2) Represents transfers from the nonmajor revolving funds to the general fund to support the operating budget, public works capital projects fund for infrastructure projects, and various nonmajor funds.

NOTE 6 – SHORT-TERM FINANCING

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANS or TANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund. Details related to the short-term debt activity for the year ended June 30, 2024, were as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2023	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2024
Governmental Funds:							
BAN	Municipal Purpose.....	5.00%	04/25/24	\$ 12,200,000	\$ -	\$ (12,200,000)	\$ -
BAN	MCWT Interim Financing...	0.00%	06/30/25	11,929,332	1,591,905	-	13,521,237
BAN	Municipal Purpose.....	4.75%	04/24/25	<u>-</u>	<u>8,918,847</u>	<u>-</u>	<u>8,918,847</u>
Total Governmental Funds.....				<u>\$ 24,129,332</u>	<u>\$ 10,510,752</u>	<u>\$ (12,200,000)</u>	<u>\$ 22,440,084</u>

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

NOTE 7 – LONG-TERM DEBT

Under the provisions of Chapter 44, Section 10, Municipal Law authorizes indebtedness up to a limit of 5% of the equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." In addition, however, debt may be authorized in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit."

Details related to the outstanding general obligation indebtedness at June 30, 2024, and the debt service requirements were as follows:

Long-Term Debt Payable Schedule – Governmental Funds

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2023	Issued	Redeemed	Outstanding at June 30, 2024
Municipal Purpose Bonds of 2013.....	2042	\$ 13,976,000	2.00 - 4.00	\$ 10,460,000	\$ 420,000	\$ 420,000	\$ 10,040,000
Municipal Purpose Bonds of 2016.....	2036	11,270,000	2.00 - 5.00	5,815,000	-	765,000	5,050,000
Municipal Purpose Bonds of 2018.....	2047	12,860,000	3.00 - 5.00	11,305,000	-	355,000	10,950,000
Municipal Purpose Bonds of 2020.....	2050	15,644,975	2.00 - 5.00	14,542,475	-	340,000	14,202,475
Municipal Purpose Refunding of 2020.....	2027	5,127,525	4.00 - 5.00	4,002,525	-	540,000	3,462,525
Municipal Purpose Bonds of 2021.....	2051	14,848,000	2.00 - 5.00	14,100,000	-	310,000	13,790,000
Municipal Purpose Refunding of 2021.....	2036	5,737,000	2.00 - 5.00	5,320,000	-	375,000	4,945,000
Municipal Purpose Bonds of 2022.....	2042	4,220,000	3.37 - 5.00	3,980,000	-	250,000	3,730,000
Subtotal Governmental General Obligation Bonds Payable.....				<u>69,525,000</u>	<u>-</u>	<u>3,355,000</u>	<u>66,170,000</u>
Massachusetts Clean Water Trust 2007.....	2027	7,797,482	2.00	1,821,537	-	441,815	1,379,722
Massachusetts Clean Water Trust 2008.....	2028	300,000	2.00	86,725	-	16,658	70,067
Massachusetts Water Resource Authority 2017....	2027	224,750	0.00	89,900	-	22,475	67,425
Massachusetts Water Resource Authority 2019...	2029	277,500	0.00	166,500	-	27,750	138,750
Massachusetts Water Resource Authority 2021...	2031	277,500	0.00	222,000	-	27,750	194,250
Massachusetts Water Resource Authority 2023...	2033	300,000	0.00	300,000	-	30,000	270,000
Subtotal Governmental Direct Borrowings Payable.....				<u>2,686,662</u>	<u>-</u>	<u>566,448</u>	<u>2,120,214</u>
Capital Financing 2021.....	2025	1,995,134	2.65	<u>767,404</u>	<u>-</u>	<u>378,684</u>	<u>388,720</u>
Long-Term Debt Payable.....				<u>72,979,066</u>	<u>-</u>	<u>4,300,132</u>	<u>68,678,934</u>
Add: Unamortized Premium on Bonds.....				<u>3,840,544</u>	<u>-</u>	<u>446,049</u>	<u>3,394,495</u>
Total Long-Term Debt Payable, net.....				<u>\$ 76,819,610</u>	<u>\$ -</u>	<u>\$ 4,746,181</u>	<u>\$ 72,073,429</u>

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

Debt service requirements for principal and interest for governmental general obligation bonds, direct borrowings, and capital financing payable in future years was as follows:

Year	General Obligation Bonds:			Direct Borrowings and Capital Financing:		
	Principal	Interest	Total	Principal	Interest	Total
2025.....	\$ 3,410,000	\$ 2,197,099	\$ 5,607,099	\$ 964,430	\$ 34,619	\$ 999,049
2026.....	3,160,000	2,043,162	5,203,162	585,159	14,869	600,028
2027.....	3,185,000	1,895,877	5,080,877	594,799	5,229	600,028
2028.....	3,130,000	1,747,340	4,877,340	103,546	180	103,726
2029.....	3,200,000	1,604,965	4,804,965	85,500	-	85,500
2030.....	3,200,000	1,466,390	4,666,390	57,750	-	57,750
2031.....	3,015,000	1,334,565	4,349,565	57,750	-	57,750
2032.....	2,965,000	1,218,275	4,183,275	30,000	-	30,000
2033.....	2,990,000	1,117,332	4,107,332	30,000	-	30,000
2034.....	3,015,000	1,024,985	4,039,985	-	-	-
2035.....	3,060,000	940,913	4,000,913	-	-	-
2036.....	2,880,000	857,024	3,737,024	-	-	-
2037.....	2,345,000	780,898	3,125,898	-	-	-
2038.....	2,410,000	716,600	3,126,600	-	-	-
2039.....	2,470,000	649,345	3,119,345	-	-	-
2040.....	2,540,000	579,429	3,119,429	-	-	-
2041.....	2,605,000	506,278	3,111,278	-	-	-
2042.....	2,340,000	449,066	2,789,066	-	-	-
2043.....	1,750,000	373,538	2,123,538	-	-	-
2044.....	1,795,000	325,337	2,120,337	-	-	-
2045.....	1,840,000	275,863	2,115,863	-	-	-
2046.....	1,895,000	224,231	2,119,231	-	-	-
2047.....	1,955,000	180,501	2,135,501	-	-	-
2048.....	1,910,000	108,250	2,018,250	-	-	-
2049.....	1,200,000	74,682	1,274,682	-	-	-
2050.....	1,230,000	45,714	1,275,714	-	-	-
2051.....	675,000	15,188	690,188	-	-	-
Total.....	\$ 66,170,000	\$ 22,752,847	\$ 88,922,847	\$ 2,508,934	\$ 54,897	\$ 2,563,831

The Massachusetts Water Resource Authority (MWRA) operates an infiltration/inflow financial assistance program for community owned collection systems. For each community approved for the project, financial assistance received from the MWRA consists of a grant and non-interest-bearing loan. The loan portion is payable in ten equal annual installments. At June 30, 2024, the outstanding principal amount of these loans totaled \$670,425.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2024, the Town had the following authorized and unissued debt:

Purpose	Amount
Fire station construction.....	\$ 225,000
MWRA.....	4,600,000
Phase 2 MWRA water connection.....	5,900,000
Water main improvements.....	1,500,000
Mill pond PFAS filter addition.....	909,650
Roads, municipal lots & sidewalks.....	<u>1,500,000</u>
 Total.....	 <u>\$ 14,634,650</u>

Changes in Long-term Liabilities

During the year ended June 30, 2024, the following changes occurred in long-term liabilities:

	Beginning Balance	Long-term Debt Issued	Long-term Debt Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
Long-term bonds payable.....	\$ 69,525,000	\$ -	\$ (3,355,000)	\$ -	\$ -	\$ 66,170,000	\$ 3,410,000
Long-term direct borrowing payable...	2,686,662	-	(566,448)	-	-	2,120,214	575,710
Capital financing payable.....	767,404	-	(378,684)	-	-	388,720	388,720
Add: Unamortized premiums.....	3,840,544	-	(446,049)	-	-	3,394,495	399,938
Total long-term debt payable.....	76,819,610	-	(4,746,181)	-	-	72,073,429	4,774,368
Compensated absences.....	7,332,000	-	-	3,779,000	(4,507,000)	6,604,000	3,999,000
Workers' compensation.....	356,000	-	-	543,000	(356,000)	543,000	543,000
Net pension liability.....	143,508,193	-	-	14,809,366	(13,403,482)	144,914,077	-
Net other postemployment benefits....	104,512,962	-	-	18,399,040	(7,084,198)	115,827,804	-
 Total governmental activity							
long-term liabilities.....	<u>\$ 332,528,765</u>	<u>\$ -</u>	<u>\$ (4,746,181)</u>	<u>\$ 37,530,406</u>	<u>\$ (25,350,680)</u>	<u>\$ 339,962,310</u>	<u>\$ 9,316,368</u>

Compensated absence liabilities, workers' compensation, net pension liabilities, and other postemployment benefit liabilities related to governmental activities are normally paid from the general fund.

NOTE 8 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The Town has adopted GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Types Definitions*. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the Town's financial statements. The reporting standard establishes a hierarchy for fund balance classification and the constraints imposed on the uses of those resources.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

GASB 54 provides for two major types of fund balance, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Town has reported principal portions of endowment funds as nonspendable.

In addition to the nonspendable fund balances, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the Town from its highest level of decision-making authority, Town Meeting.
- Assigned: fund balances that contain self-imposed constraints of the Town Accountant to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

The Town's spending policy is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance. Most governmental funds are designated for one purpose at the time of their creation. Therefore, any expenditure from the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. The general fund and certain other funds may have more than one purpose.

Massachusetts General Law Ch.40 §5B allows for the establishment of stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any changes to the purpose of the fund along with any additions to or appropriations from the fund required a two-thirds vote of the legislative body. At year-end, the balance of the general stabilization fund was \$12.9 million and is reported as unassigned fund balance within the general fund.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

As of June 30, 2024, the governmental fund balances were as follows:

	General	Public Works Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:				
Nonspendable:				
Permanent fund principal.....	\$ -	\$ -	\$ 894,071	\$ 894,071
Restricted for:				
Town revolving fund.....	- -	- -	5,702,927	5,702,927
School revolving fund.....	- -	- -	3,766,925	3,766,925
Town gifts.....	- -	- -	419,456	419,456
School gifts.....	- -	- -	39,442	39,442
School activity programs.....	- -	- -	635,145	635,145
State & local grants.....	- -	- -	6,359,240	6,359,240
Federal grants.....	- -	- -	259,018	259,018
Special purposes fund.....	- -	- -	748,222	748,222
Town capital projects.....	- -	- -	2,750,994	2,750,994
Town libraries.....	- -	- -	1,114	1,114
Cemetery perpetual care.....	- -	- -	486,593	486,593
Committed to:				
Articles and continuing appropriations:				
Town administration/select board.....	325,900	- -	- -	325,900
Assessors.....	321,033	- -	- -	321,033
Management information systems.....	69,450	- -	- -	69,450
Planning board.....	99,123	- -	- -	99,123
Police department.....	174,474	- -	- -	174,474
Fire department.....	989,016	- -	- -	989,016
Education.....	3,829,119	- -	- -	3,829,119
Public works.....	2,170,849	- -	- -	2,170,849
Recreation.....	156,419	- -	- -	156,419
Assigned to:				
Town administration/select board.....	19,000	- -	- -	19,000
Assessors.....	7,379	- -	- -	7,379
Treasurer/collector.....	200	- -	- -	200
Central administration.....	51,045	- -	- -	51,045
Human resources.....	11,920	- -	- -	11,920
Management information systems.....	22,253	- -	- -	22,253
Conservation.....	271	- -	- -	271
Negotiated settlements.....	182,303	- -	- -	182,303
Police department.....	157,502	- -	- -	157,502
Fire department.....	38,428	- -	- -	38,428
Education.....	3,631,872	- -	- -	3,631,872
Public works.....	764,022	- -	- -	764,022
Rubbish and garbage.....	240,756	- -	- -	240,756
Street light.....	64,871	- -	- -	64,871
Youth and family services.....	676	- -	- -	676
Employee benefits.....	77,000	- -	- -	77,000
Fiscal year 2025 capital budget.....	14,094,070	- -	- -	14,094,070
Unassigned.....	60,711,273	(10,414,656)	(200,008)	50,096,609
Total Fund Balances.....	\$ 88,210,224	\$ (10,414,656)	\$ 21,863,139	\$ 99,658,707

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

NOTE 9 – PENSION PLAN

Plan Descriptions

The Town is a member of the Middlesex County Retirement System (System), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the member units. The System is administered by the Middlesex Retirement Board (the “Board”) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of MGL assigns authority to establish and amend benefit provisions of the plan. The audited financial report may be obtained by visiting <http://middlesexretirement.org>.

The Town is a member of the Massachusetts Teachers’ Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for 100% of the contributions and future benefit requirement of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, education collaboratives and Quincy College. The MTRS is part of the Commonwealth’s reporting entity and the audited financial report may be obtained by visiting <https://www.macomproller.org/gasb-68-reports/>.

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer’s covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2023. The Town’s portion of the collective pension expense, contributed by the Commonwealth, of \$12,246,887 is reported in the general fund as intergovernmental revenue and pension expense in the current year. The portion of the Commonwealth’s collective net pension liability associated with the Town is \$131,164,923 as of the measurement date.

Benefits Provided

Both Systems provide retirement, disability, survivor and death benefits to plan members and beneficiaries.

Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System. There were no changes in pension benefits since the last measurement date.

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the System a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The Town's proportionate share of the required contribution, which equaled its actual contribution for the year ended June 30, 2024, was \$13,403,482 and 32.85% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

Pension Liabilities

At June 30, 2024, the Town reported a liability of \$144,914,077 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. Accordingly, update procedures were used to update the total pension liability to the measurement date. The Town's proportionate share of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2023, the Town's proportion was 8.57%, which was an increase of 0.11% from the last measurement date.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

Pension Expense

For the year ended June 30, 2024, the Town recognized a pension expense of \$16,577,986. At June 30, 2024, the Town reported deferred outflows and inflows of resources related to pensions as follows:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 4,169,391	\$ -	\$ 4,169,391
Difference between projected and actual earnings, net.....	7,429,231	-	7,429,231
Changes in assumptions.....	931,202	-	931,202
Changes in proportion and proportionate share of contributions....	1,120,488	(4,024,026)	(2,903,538)
 Total deferred outflows/(inflows) of resources.....	 \$ 13,650,312	 \$ (4,024,026)	 \$ 9,626,286

The Town's net deferred inflows and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2025.....	\$ 1,447,961
2026.....	2,593,636
2027.....	5,478,102
2028.....	106,587
 Total.....	 \$ 9,626,286

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

Actuarial Assumptions

The total pension liability in the January 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was updated to December 31, 2023.

Valuation date.....	January 1, 2024
Actuarial cost method.....	Entry Age Normal Cost Method.
Amortization method.....	Prior year's total contribution increased by 6.50% for fiscal 2023 through fiscal 2028, and thereafter the remaining unfunded liability will be amortized on a 4.00% annual increasing basis;
Remaining amortization period.....	14 years from July 1, 2022;
Asset valuation method.....	The difference between the expected return and the actual investment return on a fair value basis is recognized over a five year period. Asset value is adjusted as necessary to be within 20% of the fair value.
Investment rate of return/Discount rate...	7.15%
Inflation rate.....	3.25%
Projected salary increases.....	Varies by length of service with ultimate rates of 4.00% for Group 1, 4.25% for Group 2 and 4.50% for Group 4.
Cost of living adjustments.....	5.00% of the first \$16,000 for fiscal 2023 and 3.00% of the first \$16,000 thereafter.
Mortality rates:	
Pre-Retirement.....	The RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021.
Healthy Retiree.....	The RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021.
Disabled Retiree.....	The RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2021.

Investment Policy

The System's policy in regard to the allocation of invested assets is established by PRIT. Plan assets are managed on a total return basis with a long-term objective of achieving a fully funded status for the benefits provided through the pension plan.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

The long-term expected rate of return on pension 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 pension plan investment expense and inflation) are developed for each major asset class. These ranges 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. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity.....	22.00%	6.29%
International developed markets equity..	9.50%	6.39%
International emerging markets equity...	4.50%	7.63%
Core fixed income.....	15.00%	1.72%
High-yield fixed income.....	9.00%	3.43%
Real estate.....	10.00%	3.24%
Timber.....	4.00%	3.72%
Hedge funds, GTAA, risk parity.....	10.00%	2.87%
Private equity.....	<u>16.00%</u>	9.43%
 Total.....	 <u>100.00%</u>	

Rate of Return

For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 10.95%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amount actually invested.

Discount Rate

The discount rate used to measure the total pension liability was 7.15% at December 31, 2023 and December 31, 2022. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan 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.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.15% as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate:

	1% Decrease <u>(6.15%)</u>	Current Discount <u>(7.15%)</u>	1% Increase <u>(8.15%)</u>
The Town's proportionate share of the net pension liability.....	<u>\$ 181,422,084</u>	<u>\$ 144,914,077</u>	<u>\$ 114,191,363</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Middlesex County Retirement System financial report.

Changes in Assumptions: None.

Changes in Plan Provisions: Effective December 31, 2023, pursuant to chapter 269 of the Acts of 2022, the Board approved a one-time increase in the COLA from 3% to 5% effective July 1, 2022.

NOTE 10 – RISK FINANCING

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. The amount of claim settlements has not exceeded insurance coverage in any of the previous three years.

The Town is self-insured for approximately 90% of its health insurance and 100% of its workers' compensation activities. The self-insured health insurance activities are accounted for in the internal service fund. Workers' compensation activities are accounted for in the general fund. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR) that includes non-incremental claims adjustments. The result of the process to estimate the claims liability is not an exact amount as it depends on many factors. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claims settlement trends, and other economic and social factors.

Health Insurance

Approximately 10% of the Town's health insurance activities are premium based plans. The remaining 90% of employee health insurance claims are administered by a third-party administrator and were funded from the Town's internal service fund. The Town purchases individual stop loss insurance for

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

claims in excess of the \$100,000 coverage. The estimate of IBNR claims is based on a historical trend analysis and recent trends and represents approximately 1.5 months of average claims experience.

	Current Year			
Balance at Beginning of Year	Claims and Changes in Estimate	Claims Payments	Balance at Year-End	Balance at Year-End Currently Due
2023.....	\$ 1,319,091	\$ 16,036,009	\$ (15,725,064)	\$ 1,630,036
2024.....	1,630,036	16,597,231	(16,442,771)	1,784,496

Workers' Compensation

Workers' compensation claims are administered by a third-party administrator and are funded on a pay-as-you-go basis from annual appropriations. The Town estimates its workers' compensation claims based on history and injury type. At June 30, 2024, the amount of the liability for workers' compensation claims totaled \$543,000. Changes in the reported liability are as follows:

	Current Year			
Balance at Beginning of Year	Claims and Changes in Estimate	Claims Payments	Balance at Year-End	Current Portion
2023.....	\$ 605,000	\$ 540,000	\$ (789,000)	\$ 356,000
2024.....	356,000	551,000	(364,000)	543,000

Except for the internal service fund, all other claims and judgement and other similar liabilities are liquidated by the general fund.

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The Town of Burlington administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the insurance plan, which covers both active and retired members. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

Funding Policy

Contribution requirements are also negotiated between the Town and union representatives. The required contribution is based on a pay-as-you-go financing requirement. The Town contributes 80% of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute 20% of their premium costs. For the year ended June 30, 2024, the Town contributed \$7,286,004 to the plan.

The Commonwealth of Massachusetts passed special legislation that has allowed the Town to establish a postemployment benefit trust fund and to enable the Town to raise taxes necessary to begin pre-funding its OPEB liabilities. The Town has named the Health Care Security Board of Trustees (HCSBT) as Trustees of the OPEB Fund and as such has authorized the OPEB Trust Funds to be invested entirely in the State Retirement Benefits Trust Fund (SRBT Fund). Massachusetts General Law directs the HSCBT to invest the SRBT Fund in the Pension Reserves Investment Trust (PRIT) Fund. The Trustees have adopted a trust agreement detailing their duties and responsibilities as Trustees. The PRIT Fund is subject to oversight by the Pension Reserves Investment Management Board (PRIM) Board. A nine member Board of Trustees governs the PRIM Board. The Board of Trustees has the authority to employ an Executive Director, outside investment managers, custodians, consultants, and others as it deems necessary to formulate policies and procedures and to take such other actions as necessary and appropriate to manage the assets of the PRIT Fund.

During 2024, the Town pre-funded future OPEB liabilities totaling \$1,018,430 by contributing funds to the OPEB trust fund in excess of the pay-as-you-go required contribution. These funds are reported within the Fiduciary Fund financial statements. As of June 30, 2024, the net position of the OPEB trust fund totaled \$17,859,994.

Investment Policy

The Town's policy in regard to the allocation of invested assets is established and may be amended by the Select Board by a majority vote of its members. The OPEB plan's assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. The long-term real rate of return on OPEB investments was determined using the Town's investment policy.

Employees Covered by Benefit Terms

The following table represents the Plan's membership at December 31, 2022:

Active members.....	636
Inactive members currently receiving benefits.....	902
Total.....	<u>1,538</u>

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

Components of OPEB Liability

The following table represents the components of the Plan's OPEB liability as of June 30, 2024:

Total OPEB liability.....	\$ 133,687,798
Less: OPEB plan's fiduciary net position.....	<u>(17,859,994)</u>
Net OPEB liability.....	<u>\$ 115,827,804</u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability..	13.36%

Significant Actuarial Methods and Assumptions

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified, that was updated to June 30, 2024.

Valuation date.....	December 31, 2022.
Actuarial cost method.....	Entry Age Normal - Level percentage of payroll.
Amortization method.....	Level of percentage of payroll - increasing 3.25% per year.
Remaining amortization period.....	22 years from December 31, 2023.
Asset valuation method.....	Fair value.
Discount rate.....	7.00%
Inflation rate.....	3.25%
Salary increases.....	6.00% decreasing to 4.00% based on service for Group 1 and Group 2 7.50% decreasing to 4.00% based on service for Teachers 7.00% decreasing to 4.50% based on service for Group 4

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

Health care trend rates.....	Non-Medicare: 7.50% decreasing by 0.25% for 12 years to an ultimate level of 4.50% per year. Medicare: 6.00% decreasing by 0.25% for 6 years to an ultimate level of 4.50% per year. Administrative expense: 3.00%. Medicare Part B: 4.50%. Contributions: Retiree contributions are expected to increase with medical trend.
Mortality rates.....	Pre-Retirement (non-Teachers): RP-2014 Blue Collar Employee Mortality Table projected generationally using Scale MP-2021. Healthy Retiree (non-Teachers): RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally using Scale MP-2021. Disabled Retiree (non-Teachers): RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally using Scale MP-2021.
	Pre-Retirement (Teachers): Pub-2010 Teacher Employee Mortality Table (headcount weighted) projected generationally with Scale MP-2020. Healthy Retiree (Teachers): Pub-2010 Teacher Retiree Mortality Table (headcount weighted) projected generationally with Scale MP-2020. Disabled Retiree (Teachers): Pub-2010 Teacher Retiree Mortality Table (headcount weighted) projected generationally with Scale MP-2020.

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 9.46%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on OPEB 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 pension plan investment expense and inflation) are developed for each major asset class. These ranges 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. The Plan's expected future real rate of return is added to the expected inflation to produce the long-term expected nominal rate of return.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	22.00%	6.29%
International developed markets equity....	9.50%	6.39%
International emerging markets equity.....	4.50%	7.63%
Core fixed income.....	15.00%	1.72%
High-yield fixed income.....	9.00%	3.43%
Real estate.....	10.00%	3.24%
Timber.....	4.00%	3.72%
Hedge fund, GTAA, risk parity.....	10.00%	2.87%
Private equity.....	16.00%	9.43%
 Total.....	 <hr style="border-top: 1px solid black;"/> <hr style="border-top: 1px solid black;"/>	 <hr style="border-top: 1px solid black;"/> <hr style="border-top: 1px solid black;"/>
	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2024 and June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be sufficient to make all projected benefit payments to current plan members. Therefore the long-term expected rate of return on the OPEB plan assets was applied to projected future benefits payments.

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

The following table presents the net other postemployment benefit liability and service cost, calculated using the discount rate of 7.00%, as well as what the net other postemployment benefit liability and service cost 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.

	Current	
	1% Decrease	1% Increase
	(6.00%)	(8.00%)
Net OPEB liability.....	\$ <hr style="border-top: 1px solid black;"/> 132,303,493	\$ <hr style="border-top: 1px solid black;"/> 115,827,804
	\$ <hr style="border-top: 1px solid black;"/>	\$ <hr style="border-top: 1px solid black;"/>
	\$ <hr style="border-top: 1px solid black;"/> 102,114,509	

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend

The following table presents the net other postemployment benefit liability and service cost, calculated using the current healthcare trend rate, as well as what the net other postemployment benefit liability and service cost would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher.

	1% Decrease	Current Trend	1% Increase
Net OPEB liability.....	\$ <u>99,230,452</u>	\$ <u>115,827,804</u>	\$ <u>136,293,199</u>

Summary of Significant Accounting Policies

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts (repurchase agreements) that have a maturity at the time of purchase of one year or less, which are reported at cost.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Plan		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2023.....	\$ 119,818,280	\$ 15,305,318	\$ 104,512,962
<i>Changes for the year:</i>			
Service cost.....	2,861,244	-	2,861,244
Interest.....	8,371,912	-	8,371,912
Changes of assumptions.....	8,903,936	-	8,903,936
Contributions - employer.....	-	7,286,004	(7,286,004)
Net investment income.....	-	1,536,246	(1,536,246)
Benefit payments.....	<u>(6,267,574)</u>	<u>(6,267,574)</u>	-
Net change.....	<u>13,869,518</u>	<u>2,554,676</u>	<u>11,314,842</u>
Balance at June 30, 2024.....	<u>\$ 133,687,798</u>	<u>\$ 17,859,994</u>	<u>\$ 115,827,804</u>

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

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

For the year ended June 30, 2024, the Town recognized OPEB expense of \$10,320,924. At June 30, 2024, the Town reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 1,655,518	\$ -	\$ 1,655,518
Difference between projected and actual earnings, net.....	55,324	-	55,324
Changes in assumptions.....	<u>7,419,945</u>	<u>(7,073,738)</u>	<u>346,207</u>
Total deferred outflows/(inflows) of resources.....	<u>\$ 9,130,787</u>	<u>\$ (7,073,738)</u>	<u>\$ 2,057,049</u>

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

Year ended June 30:

2025.....	\$ (298,477)
2026.....	350,760
2027.....	276,075
2028.....	244,702
2029.....	<u>1,483,989</u>
Total.....	<u>\$ 2,057,049</u>

Changes of Assumptions: The Medicare trend assumption was revised to reflect the estimated impact of the Inflation Reduction Act of 2022.

Changes in Plan Provisions: None.

NOTE 12 – COMMITMENTS

The Town is committed to completing various projects throughout the Town that will be funded with long term debt that has been authorized, but not yet issued, totaling \$14.6 million.

At June 30, 2024 the general fund had commitments for goods and services related to carryover articles and encumbrances of approximately \$13.4 million.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

NOTE 13 – CONTINGENCIES

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2024, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2024.

NOTE 14 – CHANGE IN FUND CLASSIFICATION

During the fiscal year ended June 30, 2024, the Town reviewed its fund classifications and determined that the federal grants fund, previously reported as a major fund, no longer meets the criteria for major fund reporting according to the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*.

The federal grants fund has been reclassified as a nonmajor fund for the fiscal year ended June 30, 2024. This reclassification is based on the fund’s financial activity, which no longer meets the quantitative thresholds established for major fund reporting. The decision to reclassify was made to provide more accurate and relevant financial information to users of the financial statements. The effects of this reclassification are reflected in the accompanying financial statements for the fiscal year ended June 30, 2024. The reclassification did not have any impact on the total net position or the change in net position of the Town.

	Reporting Units Affected by	
	Adjustments to Beginning Balances	
	Funds	
	Federal Grants	Nonmajor Governmental Funds
June 30, 2023, as previously reported.....	\$ 142,001	\$ 16,081,066
Change from major fund to nonmajor fund....	<u>(142,001)</u>	<u>142,001</u>
June 30, 2023, as adjusted.....	<u>\$ -</u>	<u>\$ 16,223,067</u>

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2024

NOTE 15 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2024, the following GASB pronouncement was implemented:

- GASB Statement #100, *Accounting Changes and Error Corrections*. As more fully described in Note 14, the implementation of this pronouncement required disclosure of a change in fund classification from major to nonmajor.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #101, *Compensated Absences*, which is required to be implemented in 2025.
- The GASB issued Statement #102, *Certain Risk Disclosures*, which is required to be implemented in 2025.
- The GASB Issued Statement #103, *Financial Reporting Model Improvements*, which is required to be implemented in 2026.
- The GASB issued Statement #104, *Disclosure of Certain Capital Assets*, which is required to be implemented in 2026.

Management is currently assessing the impact the implementation of these pronouncements will have on the basic financial statements.

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

The General Fund is the general operating fund of the Town. It is used to account for all the financial resources, except those required to be accounted for in another fund.

Town of Burlington, Massachusetts

General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Year Ended June 30, 2024

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 140,752,306	\$ 140,752,306	\$ 140,925,869	\$ -	\$ 173,563
Tax liens.....	-	-	176,024	-	176,024
Motor vehicle and other excise taxes.....	4,221,352	4,221,352	5,167,329	-	945,977
Hotel, motel, and meals tax.....	3,350,000	3,350,000	6,470,870	-	3,120,870
Ambulance.....	600,000	600,000	871,356	-	271,356
Water charges.....	3,708,000	3,708,000	4,768,378	-	1,060,378
Penalties and interest on taxes.....	334,750	334,750	400,763	-	66,013
Fees and rentals.....	352,000	352,000	316,204	-	(35,796)
Payments in lieu of taxes.....	520,000	520,000	520,000	-	-
Licenses and permits.....	1,250,000	1,250,000	3,706,514	-	2,456,514
Intergovernmental.....	13,119,328	13,119,328	12,626,910	-	(492,418)
Departmental and other.....	829,320	829,320	1,287,598	-	458,278
Investment income.....	211,558	211,558	4,884,833	-	4,673,275
Miscellaneous.....	267,800	267,800	267,770	-	(30)
TOTAL REVENUES.....	169,516,414	169,516,414	182,390,418	-	12,874,004
EXPENDITURES:					
GENERAL GOVERNMENT					
TOWN MEETING & REPORTS					
Salaries.....	3,333	3,333	3,333	-	-
Expenses.....	12,575	12,575	12,575	-	-
TOTAL.....	15,908	15,908	15,908	-	-
OTHER LEGISLATIVE COMMITTEES					
Salaries.....	10,644	10,644	4,634	-	6,010
Expenses.....	373	373	-	-	373
TOTAL.....	11,017	11,017	4,634	-	6,383
TOWN ADMINISTRATION/ SELECT BOARD					
Salaries.....	801,236	828,540	828,033	-	507
Expenses.....	117,315	117,315	97,657	19,000	658
Special accounts.....	18,872	18,872	9,476	-	9,396
Capital Articles.....	725,965	390,940	65,040	325,900	-
TOTAL.....	1,663,388	1,355,667	1,000,206	344,900	10,561
ACCOUNTING					
Salaries.....	481,661	496,713	487,111	-	9,602
Expenses.....	5,295	5,295	4,114	-	1,181
TOTAL.....	486,956	502,008	491,225	-	10,783
ASSESSORS					
Salaries.....	287,902	293,757	287,117	-	6,640
Expenses.....	201,340	201,340	185,366	7,379	8,595
Capital Articles.....	-	345,065	24,032	321,033	-
TOTAL.....	489,242	840,162	496,515	328,412	15,235
TREASURER/ COLLECTOR					
Salaries.....	713,226	724,066	724,066	-	-
Expenses.....	32,500	32,500	27,537	200	4,763
Special accounts.....	100	100	-	-	100
TOTAL.....	745,826	756,666	751,603	200	4,863
CENTRAL ADMINISTRATION					
Central supply.....	110,000	110,000	110,000	-	-
Central machines.....	28,000	28,000	27,124	-	876
Town insurance.....	1,366,179	1,366,179	1,315,133	51,045	1
Financial services.....	60,000	119,025	112,555	-	6,470
TOTAL.....	1,564,179	1,623,204	1,564,812	51,045	7,347
LEGAL					
Legal expenses.....	202,000	202,000	183,077	-	18,923

See notes to required supplementary information.

Town of Burlington, Massachusetts

General Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Continued)

Year Ended June 30, 2024

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
HUMAN RESOURCES					
Salaries.....	154,176	163,258	163,253	-	5
Expenses.....	4,555	4,555	2,912	-	1,643
Special accounts.....	20,610	20,610	6,372	11,920	2,318
TOTAL	179,341	188,423	172,537	11,920	3,966
MANAGEMENT INFORMATION SYSTEMS					
Salaries.....	423,709	440,578	409,032	10,000	21,546
Expenses.....	377,810	377,810	360,526	12,253	5,031
Capital Articles.....	25,000	93,000	23,550	69,450	-
TOTAL	826,519	911,388	793,108	91,703	26,577
TOWN CLERK					
Salaries.....	415,115	423,751	423,750	-	1
Expenses.....	21,700	21,700	18,447	-	3,253
Special accounts.....	78,680	78,680	65,417	-	13,263
TOTAL	515,495	524,131	507,614	-	16,517
BOARD OF REGISTRAR					
Salaries.....	1,250	1,250	1,250	-	-
Expenses.....	11,900	11,900	11,900	-	-
TOTAL	13,150	13,150	13,150	-	-
CONSERVATION					
Salaries.....	279,197	287,687	287,687	-	-
Expenses.....	10,050	10,050	9,798	252	-
Special accounts.....	19,320	19,320	19,301	19	-
TOTAL	308,567	317,057	316,786	271	-
PLANNING BOARD					
Salaries.....	413,694	426,720	270,054	-	156,666
Expenses.....	52,388	52,388	12,975	-	39,413
Capital Articles.....	11,713	111,439	12,316	99,123	-
TOTAL	477,795	590,547	295,345	99,123	196,079
BOARD OF APPEALS					
Salaries.....	13,481	13,400	8,987	-	4,413
Expenses.....	250	250	180	-	70
TOTAL	13,731	13,650	9,167	-	4,483
TOWN FACILITIES					
Expenses.....	102,169	102,250	102,232	-	18
NEGOTIATED SETTLEMENTS	456,885	248,370	66,067	182,303	-
Total General Government	8,072,168	8,215,598	6,783,986	1,109,877	321,735
PUBLIC SAFETY					
POLICE DEPARTMENT					
Salaries.....	8,974,939	8,985,705	8,915,883	64,658	5,164
Expenses.....	862,280	862,280	767,686	72,044	22,550
Special accounts.....	352,610	352,610	290,269	20,800	41,541
Capital Articles.....	516,891	620,296	445,822	174,474	-
TOTAL	10,706,720	10,820,891	10,419,660	331,976	69,255
FIRE DEPARTMENT					
Salaries.....	9,119,713	9,126,722	9,126,186	-	536
Expenses.....	653,871	653,832	607,487	18,095	28,250
Special accounts.....	238,853	598,853	534,512	20,333	44,008
Capital Articles.....	2,787,247	1,089,387	100,371	989,016	-
TOTAL	12,799,684	11,468,794	10,368,556	1,027,444	72,794

See notes to required supplementary information.

Town of Burlington, Massachusetts

General Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Continued)

Year Ended June 30, 2024

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
BUILDING DEPARTMENT					
Salaries.....	681,647	684,466	572,242	-	112,224
Expenses.....	43,390	43,390	23,286	-	20,104
TOTAL	725,037	727,856	595,528	-	132,328
SEALER OF WEIGHTS					
Salaries.....	16,848	16,848	16,848	-	-
EMERGENCY MANAGEMENT SERVICE					
Salaries.....	10,000	10,000	10,000	-	-
Expenses.....	10,100	10,100	8,100	-	2,000
Special accounts.....	5,500	5,500	5,500	-	-
TOTAL	25,600	25,600	23,600	-	2,000
Total Public Safety	24,273,889	23,059,989	21,424,192	1,359,420	276,377
EDUCATION					
PUBLIC SCHOOLS					
Salaries and expenditures.....	83,618,119	83,617,803	74,054,292	8,270,099	1,293,412
Capital articles.....	3,382,609	5,421,849	1,592,730	3,829,119	-
TOTAL	87,000,728	89,039,652	75,647,022	12,099,218	1,293,412
REGIONAL SCHOOL ASSESSMENTS	3,083,250	3,083,250	2,999,854	-	83,396
Total Education	90,083,978	92,122,902	78,646,876	12,099,218	1,376,808
PUBLIC WORKS					
Salaries.....	6,081,880	6,043,578	6,021,707	6,313	15,558
Expenses.....	4,141,881	5,427,232	4,777,151	638,925	11,156
Special accounts.....	557,767	557,767	436,823	118,784	2,160
Capital Articles.....	4,130,620	3,527,819	1,356,970	2,170,849	-
TOTAL	14,912,148	15,556,396	12,592,651	2,934,871	28,874
SNOW AND ICE					
Expenses.....	350,000	350,000	443,925	-	(93,925)
RUBBISH AND GARBAGE					
Expenses.....	3,224,710	3,224,710	2,934,912	240,756	49,042
STREET LIGHT					
Expenses.....	493,504	493,504	302,615	64,871	126,018
DEP DRINKING WATER					
Expenses.....	15,000	15,000	9,544	-	5,456
Total Public Works	18,995,362	19,639,610	16,283,647	3,240,498	115,465
HUMAN SERVICES					
BOARD OF HEALTH					
Salaries.....	718,471	733,155	595,687	-	137,468
Expenses.....	32,789	32,789	25,054	-	7,735
Special accounts.....	96,811	96,811	83,998	-	12,813
TOTAL	848,071	862,755	704,739	-	158,016
COUNCIL ON AGING					
Salaries.....	452,494	457,147	457,147	-	-
Expenses.....	9,800	9,800	4,966	-	4,834
Special accounts.....	500	500	-	-	500
TOTAL	462,794	467,447	462,113	-	5,334
VETERANS' SERVICES					
Salaries.....	161,505	166,190	166,190	-	-
Expenses.....	4,457	4,457	4,310	-	147
Special accounts.....	118,000	118,000	55,839	-	62,161
TOTAL	283,962	288,647	226,339	-	62,308

See notes to required supplementary information.

Town of Burlington, Massachusetts

General Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Continued)

Year Ended June 30, 2024

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
YOUTH AND FAMILY SERVICES					
Salaries.....	493,356	506,266	495,683	-	10,583
Expenses.....	45,556	45,556	35,545	676	9,335
TOTAL	538,912	551,822	531,228	676	19,918
DISABILITY ACCESS COMMISSION					
Salaries.....	608	608	608	-	-
Expenses.....	400	400	394	-	6
TOTAL	1,008	1,008	1,002	-	6
Total Human Services	2,134,747	2,171,679	1,925,421	676	245,582
CULTURE AND RECREATION					
PUBLIC LIBRARY					
Salaries.....	1,477,816	1,483,294	1,483,294	-	-
Expenses.....	92,326	92,326	92,326	-	-
Special accounts.....	214,169	214,169	213,889	-	280
TOTAL	1,784,311	1,789,789	1,789,509	-	280
RECREATION DEPARTMENT					
Salaries.....	1,793,557	1,803,190	1,803,190	-	-
Expenses.....	316,054	316,054	315,907	-	147
Capital Articles.....	252,000	417,601	261,182	156,419	-
TOTAL	2,361,611	2,536,845	2,380,279	156,419	147
HISTORICAL COMMISSION					
Expenses.....	13,400	13,400	13,400	-	-
Capital Articles.....	33,000	-	-	-	-
TOTAL	46,400	13,400	13,400	-	-
Total Culture and Recreation	4,192,322	4,340,034	4,183,188	156,419	427
PENSION BENEFITS					
County retirement.....	13,403,482	13,403,482	13,403,482	-	-
EMPLOYEE BENEFITS					
Health insurance.....	16,324,398	16,324,398	15,114,662	77,000	1,132,736
Transfer to OPEB.....	1,018,430	1,018,430	1,018,430	-	-
Medicare tax.....	1,389,291	1,389,291	1,366,212	-	23,079
Unemployment compensation.....	107,906	107,906	25,288	-	82,618
TOTAL	18,840,025	18,840,025	17,524,592	77,000	1,238,433
CAPITAL IMPROVEMENTS	400,000	400,000	399,021	-	979
RESERVE FUND	200,000	300,000	-	-	300,000
STATE AND COUNTY ASSESSMENTS	966,948	966,948	948,594	-	18,354
DEBT SERVICE	8,188,670	8,188,670	8,184,252	-	4,418
TOTAL EXPENDITURES	189,751,591	191,648,937	169,707,251	18,043,108	3,898,578
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(20,235,177)	(22,132,523)	12,683,167	(18,043,108)	16,772,582
OTHER FINANCING SOURCES (USES):					
Premium from issuance of bonds.....	-	-	99,088	-	99,088
Transfers in.....	2,850,351	2,850,351	2,968,046	-	117,695
Transfers out.....	(4,100,000)	(5,658,703)	(5,658,703)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,249,649)	(2,808,352)	(2,591,569)	-	216,783
NET CHANGE IN FUND BALANCE	(21,484,826)	(24,940,875)	10,091,598	(18,043,108)	16,989,365
BUDGETARY FUND BALANCE, Beginning of year	66,568,350	66,568,350	66,568,350	-	-
BUDGETARY FUND BALANCE, End of year	\$ 45,083,524	\$ 41,627,475	\$ 76,659,948	\$ (18,043,108)	\$ 16,989,365

See notes to required supplementary information.

Pension Plan Schedules

The Schedule of the Town's Proportionate Share of the Net Pension Liability presents multi-year trend information on the Town's net pension liability and related ratios.

The Schedule of the Town's Contributions presents multi-year trend information on the Town's required and actual contributions to the pension plan and related ratios.

The Schedule of Special Funding Amounts of Net Pension Liability for the Massachusetts Teachers Retirement System presents multi-year trend information on the liability and expense assumed by the Commonwealth of Massachusetts on behalf of the Town along with related ratios.

Town of Burlington, Massachusetts

Schedule of the Town's Proportionate Share of the Net Pension Liability

Middlesex County Contributory Retirement System

Year	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered-payroll	Net pension liability as a percentage of covered-payroll	Plan fiduciary net position as a percentage of the total pension liability
December 31, 2023.....	8.569%	\$ 144,914,077	\$ 40,805,162	355.14%	55.21%
December 31, 2022.....	8.456%	143,508,193	38,832,472	369.56%	52.61%
December 31, 2021.....	8.861%	118,806,981	37,219,280	319.21%	61.14%
December 31, 2020.....	8.714%	133,422,263	36,934,043	361.24%	53.42%
December 31, 2019.....	8.600%	137,604,549	35,400,619	388.71%	49.45%
December 31, 2018.....	8.172%	127,441,167	33,783,442	377.23%	46.40%
December 31, 2017.....	8.270%	117,368,093	32,393,793	362.32%	49.27%
December 31, 2016.....	8.111%	114,929,674	31,361,657	366.47%	45.49%
December 31, 2015.....	8.105%	104,556,462	30,378,636	344.18%	46.13%
December 31, 2014.....	8.162%	98,053,205	29,210,227	335.68%	47.65%

Town of Burlington, Massachusetts

Schedule of the Town's Contributions

Middlesex County Contributory Retirement System

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered-payroll	Contributions as a percentage of covered-payroll
June 30, 2024.....	\$ 13,403,482	\$ (13,403,482)	\$ -	\$ 41,213,214	32.52%
June 30, 2023.....	12,543,435	(12,543,435)	-	39,220,797	31.98%
June 30, 2022.....	11,757,449	(11,757,449)	-	37,591,473	31.28%
June 30, 2021.....	10,675,811	(10,675,811)	-	37,303,383	28.62%
June 30, 2020.....	10,023,321	(10,023,321)	-	35,754,625	28.03%
June 30, 2019.....	9,454,623	(9,454,623)	-	34,121,376	27.71%
June 30, 2018.....	8,877,933	(8,877,933)	-	33,409,166	26.57%
June 30, 2017.....	8,404,267	(8,404,267)	-	31,675,274	26.53%
June 30, 2016.....	7,895,297	(7,895,297)	-	30,682,442	25.73%
June 30, 2015.....	7,511,305	(7,511,305)	-	29,502,229	25.46%

Town of Burlington, Massachusetts

Schedule of Special Funding Amounts of the Net Pension Liability

Massachusetts Teachers' Retirement System

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Therefore, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the associated collective net pension liability; the portion of the collective pension expense as both a revenue and pension expense recognized; and the Plan's fiduciary net position as a percentage of the total liability.

Year	Commonwealth's 100% Share of the Associated Net Pension Liability	Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Liability
2024.....	\$ 131,164,923	\$ 12,246,887	58.48%
2023.....	125,253,910	10,303,356	57.75%
2022.....	116,186,962	9,324,000	62.03%
2021.....	141,577,478	17,486,847	50.67%
2020.....	124,461,103	15,093,069	53.95%
2019.....	120,102,352	12,170,634	54.84%
2018.....	114,385,482	11,938,746	54.25%
2017.....	113,026,510	11,529,445	52.73%
2016.....	98,121,938	7,958,562	55.38%
2015.....	75,221,631	5,226,008	61.64%

Other Postemployment Benefits Plan Schedules

The Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered-employee payroll.

The Schedule of the Town's Contributions presents multi-year trend information on the Town's actual contributions to the other postemployment benefit plan and related ratios.

The Schedule of Investment Returns presents multi-year trend information on the money-weighted investment return on the Plan's other postemployment assets, net of investment expenses.

These schedules are intended to present information for ten years. Until a ten-year trend is complied, information is presented for those years for which information is available.

Town of Burlington, Massachusetts

Schedule of Changes in the Town's Net OPEB Liability and Related Ratios

Other Postemployment Benefit Plan

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Total OPEB Liability								
Service Cost.....	\$ 2,029,964	\$ 2,101,013	\$ 2,174,548	\$ 2,504,177	\$ 2,531,670	\$ 2,880,357	\$ 2,978,428	\$ 2,861,244
Interest.....	7,074,192	7,410,905	7,744,557	7,876,841	8,109,696	8,105,926	8,484,373	8,371,913
Changes of benefit terms.....	-	-	(2,094,953)	-	(397,909)	-	-	-
Differences between expected and actual experience.....	-	-	1,725,041	-	1,572,244	-	1,697,154	-
Changes of assumptions.....	-	-	685,874	(2,172,143)	(2,899,543)	-	(8,617,802)	8,903,936
Benefit payments.....	<u>(4,508,617)</u>	<u>(4,869,350)</u>	<u>(5,316,110)</u>	<u>(5,042,629)</u>	<u>(5,095,675)</u>	<u>(5,556,705)</u>	<u>(5,803,407)</u>	<u>(6,267,574)</u>
Net change in total OPEB liability.....	4,595,539	4,642,568	4,918,957	3,166,246	3,820,483	5,429,578	(1,261,254)	13,869,519
Total OPEB liability - beginning.....	<u>94,506,162</u>	<u>99,101,701</u>	<u>103,744,269</u>	<u>108,663,226</u>	<u>111,829,472</u>	<u>115,649,955</u>	<u>121,079,533</u>	<u>119,818,279</u>
Total OPEB liability - ending (a).....	<u>\$ 99,101,701</u>	<u>\$ 103,744,269</u>	<u>\$ 108,663,226</u>	<u>\$ 111,829,472</u>	<u>\$ 115,649,955</u>	<u>\$ 121,079,533</u>	<u>\$ 119,818,279</u>	<u>\$ 133,687,798</u>
Plan fiduciary net position								
Employer contributions.....	\$ 846,500	\$ 597,325	\$ 1,152,876	\$ 1,213,593	\$ 779,957	\$ 1,527,493	\$ 931,775	\$ 1,018,430
Employer contributions for OPEB payments.....	4,508,617	4,869,350	5,316,110	5,042,629	5,095,675	5,556,705	5,803,407	6,267,574
Net investment income (loss).....	599,191	565,625	422,178	183,391	2,162,221	(546,275)	824,202	1,536,247
Benefit payments.....	<u>(4,508,617)</u>	<u>(4,869,350)</u>	<u>(5,316,110)</u>	<u>(5,042,629)</u>	<u>(5,095,675)</u>	<u>(5,556,705)</u>	<u>(5,803,407)</u>	<u>(6,267,574)</u>
Net change in plan fiduciary net position.....	1,445,691	1,162,950	1,575,054	1,396,984	2,942,178	981,218	1,755,977	2,554,677
Plan fiduciary net position - beginning of year.....	<u>4,045,265</u>	<u>5,490,956</u>	<u>6,653,906</u>	<u>8,228,960</u>	<u>9,625,944</u>	<u>12,568,122</u>	<u>13,549,340</u>	<u>15,305,317</u>
Plan fiduciary net position - end of year (b).....	<u>\$ 5,490,956</u>	<u>\$ 6,653,906</u>	<u>\$ 8,228,960</u>	<u>\$ 9,625,944</u>	<u>\$ 12,568,122</u>	<u>\$ 13,549,340</u>	<u>\$ 15,305,317</u>	<u>\$ 17,859,994</u>
Net OPEB liability - ending (a)-(b).....	<u>\$ 93,610,745</u>	<u>\$ 97,090,363</u>	<u>\$ 100,434,266</u>	<u>\$ 102,203,528</u>	<u>\$ 103,081,833</u>	<u>\$ 107,530,193</u>	<u>\$ 104,512,962</u>	<u>\$ 115,827,804</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	5.54%	6.41%	7.57%	8.61%	10.87%	11.19%	12.77%	13.36%
Covered-employee payroll.....	\$ 59,098,583	\$ 61,874,961	\$ 64,525,649	\$ 69,728,752	\$ 59,560,972	\$ 76,624,218	\$ 80,432,396	\$ 83,001,985
Net OPEB liability as a percentage of covered-employee payroll.....	158.40%	156.91%	155.65%	146.57%	173.07%	140.33%	129.94%	139.55%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Town of Burlington, Massachusetts

Schedule of the Town's Contributions

Other Postemployment Benefit Plan

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
June 30, 2024.....	\$ 10,131,562	\$ (7,286,004)	\$ 2,845,558	\$ 83,001,985	8.78%
June 30, 2023.....	9,635,706	(6,735,182)	2,900,524	80,432,396	8.37%
June 30, 2022.....	9,689,148	(7,084,198)	2,604,950	76,624,218	9.25%
June 30, 2021.....	9,234,268	(5,875,632)	3,358,636	59,560,972	9.86%
June 30, 2020.....	8,683,480	(6,256,222)	2,427,258	69,728,752	8.97%
June 30, 2019.....	8,188,043	(6,468,986)	1,719,057	64,525,649	10.03%
June 30, 2018.....	7,600,044	(5,466,675)	2,133,369	61,874,961	8.84%
June 30, 2017.....	6,294,020	(5,355,117)	938,903	59,098,583	9.06%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

Town of Burlington, Massachusetts

Schedule of Investment Returns

Other Postemployment Benefit Plan

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
June 30, 2024.....	9.46%
June 30, 2023.....	7.25%
June 30, 2022.....	-3.93%
June 30, 2021.....	20.92%
June 30, 2020.....	1.96%
June 30, 2019.....	5.48%
June 30, 2018.....	9.37%
June 30, 2017.....	19.84%

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

Notes to Required Supplementary Information

Town of Burlington, Massachusetts

Notes to Required Supplementary Information

Year Ended June 30, 2024

NOTE A – BUDGETARY BASIS OF ACCOUNTING

Budgetary Information

Municipal Law requires the adoption of a balanced budget that is approved by Town Meeting. The Finance and Advisory Board presents an annual budget to Town Meeting, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. The Town Meeting, which has full authority to amend and/or reject the budget or any line item, adopts the expenditure budget by majority vote.

Increases or transfers between and within departments subsequent to the approval of the annual budget, requires majority Town Meeting approval via a supplemental appropriation.

The majority of appropriations are non-continuing which lapse at the end of each year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year's original budget.

Generally, expenditures may not exceed the legal level of spending (department salary, expense, and capital level) authorized for an appropriation account. However, the Town is statutorily required to pay debt service, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by majority vote of Town Meeting.

The Town adopts an annual budget for the general fund in conformity with the guidelines described above. The original 2024 approved budget for the general fund authorized approximately \$193.9 million in appropriations and this amount includes \$11.0 million in encumbrances and appropriations carried over from previous years. During 2024, the Town increased the budget by \$3.5 million to \$197.3 million. Supplemental free cash appropriations included \$1.4 million to stabilization funds, \$150,000 for the operating budget, and \$1.1 million for capital.

The Town Accountant's office has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

Budgetary – GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2024, is presented on the following page.

Town of Burlington, Massachusetts

Notes to Required Supplementary Information

Year Ended June 30, 2024

Net change in fund balance - budgetary basis..... \$ 10,091,598

Perspective differences:

Activity of the sewer program.....	630,455
Activity of the stabilization fund recorded in the recorded in the general fund for GAAP.....	892,469

Basis of accounting differences:

Net change in recording tax refunds payable.....	831,000
Net change in recording 60 day receipts.....	50,315
Net change in recording accrued payroll.....	147,830
Recognition of revenue for on-behalf payments.....	12,246,887
Recognition of expenditures for on-behalf payments....	<u>(12,246,887)</u>

Net change in fund balance - GAAP basis..... \$ 12,643,667

Excess of Expenditures over Appropriations

For the year ended June 30, 2024, actual expenditures exceeded appropriations for public works snow and ice. These over-expenditures are allowable and will be raised and funded fiscal year 2025.

NOTE B – PENSION PLAN

Pension Plan Schedules

Schedule of the Town's Proportionate Share of the Net Pension Liability

The Schedule of the Town's Proportionate Share of the Net Pension Liability details the allocated percentage of the net pension liability (asset), the proportionate share of the net pension liability, and the covered employee payroll. It also demonstrates the net position as a percentage of the pension liability and the net pension liability as a percentage of covered payroll.

Schedule of the Town's Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The appropriations are payable on July 1 and January 1. The Town may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual contributions may be less than the "total appropriation". The pension fund appropriation is allocated to the Town based on covered payroll.

Town of Burlington, Massachusetts

Notes to Required Supplementary Information

Year Ended June 30, 2024

Schedule of the Special Funding Amounts of the Net Pension Liabilities

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the Town; the portion of the collective pension expense as both a revenue and pension expense recognized by the Town; and the Plan's fiduciary net position as a percentage of the total liability.

Changes in Assumptions: None.

Changes in Plan Provisions: Effective December 31, 2023, pursuant to chapter 269 of the Acts of 2022, the Board approved a one-time increase in the COLA from 3% to 5% effective July 1, 2022.

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

The Town administers a single-employer defined benefit healthcare plan (“The Retiree Health Plan”). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the Town’s group health insurance plan, which covers both active and retired members. Additionally, retired teachers and their spouses receive health insurance through the Group Insurance Commission of the Commonwealth of Massachusetts (GIC). Each participating municipality is assessed for the governmental share of health and life insurance premiums paid on behalf of its teacher retirees by the state.

Other Postemployment Benefit Plan Schedules

The Schedule of Changes in the Town’s Net Other Postemployment Benefit Liability and Related Ratios

The Schedule of Changes in the Town’s Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan’s total OPEB liability, changes in the Plan’s net position, and ending net OPEB liability. It also demonstrates the Plan’s net position as a percentage of the total liability and the Plan’s net other postemployment benefit liability as a percentage of covered-employee payroll.

Schedule of the Town’s Contributions

The Schedule of the Town’s Contributions includes the Town’s annual required contribution to the Plan, along with the contribution made in relation to the actuarially determined contribution and the covered-employee payroll. The Town is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered-employee payroll. Actuarially contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Town of Burlington, Massachusetts

Notes to Required Supplementary Information

Year Ended June 30, 2024

Methods and assumptions used to determine contribution rates are reported below:

Valuation date.....	December 31, 2022.
Actuarial cost method.....	Entry Age Normal - Level percentage of payroll.
Amortization method.....	Level of percentage of payroll - increasing 3.25% per year.
Remaining amortization period.....	22 years from December 31, 2023.
Asset valuation method.....	Fair value.
Discount rate.....	7.00%
Inflation rate.....	3.25%
Salary increases.....	6.00% decreasing to 4.00% based on service for Group 1 and Group 2 7.50% decreasing to 4.00% based on service for Teachers 7.00% decreasing to 4.50% based on service for Group 4
Health care trend rates.....	Non-Medicare: 7.50% decreasing by 0.25% for 12 years to an ultimate level of 4.50% per year. Medicare: 6.00% decreasing by 0.25% for 6 years to an ultimate level of 4.50% per year. Administrative expense: 3.00%. Medicare Part B: 4.50%. Contributions: Retiree contributions are expected to increase with medical trend.
Mortality rates.....	Pre-Retirement (non-Teachers): RP-2014 Blue Collar Employee Mortality Table projected generationally using Scale MP-2021. Healthy Retiree (non-Teachers): RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally using Scale MP-2021. Disabled Retiree (non-Teachers): RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally using Scale MP-2021. Pre-Retirement (Teachers): Pub-2010 Teacher Employee Mortality Table (headcount weighted) projected generationally with Scale MP-2020. Healthy Retiree (Teachers): Pub-2010 Teacher Retiree Mortality Table (headcount weighted) projected generationally with Scale MP-2020. Disabled Retiree (Teachers): Pub-2010 Teacher Retiree Mortality Table (headcount weighted) projected generationally with Scale MP-2020.

Town of Burlington, Massachusetts

Notes to Required Supplementary Information

Year Ended June 30, 2024

Schedule of Investment Returns

The Schedule of Investment Returns includes the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

Changes of Assumptions: The Medicare trend assumption was revised to reflect the estimated impact of the Inflation Reduction Act of 2022.

Changes in Plan Provisions: None.

Combining Statements

The combining financial statements provide a more detailed view of the “Basic Financial Statements” presented in the preceding subsection.

Combining statements are presented when there are more than one fund of a given fund type.

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than permanent funds or capital project funds) that are restricted by law or administrative action to expenditures for specified purposes. The Town's special revenue funds are grouped into the following categories:

Town Revolving Fund – This fund is used to account for various municipal programs such as affordable housing monitoring, police and fire details, recreation activities, and wetland protection.

School Revolving Fund – This fund is used to account for various school programs, such as operation of public school lunch program, student activities, athletic receipts, and tuition costs.

Town Gifts Fund – This fund is used to account for gifts which have been accepted by the Town to be used for the purpose specified by the donor.

School Gifts Fund – This fund is used to account for gifts which have been accepted by the School Department to be used for the purpose specified by the donor.

School Activity Programs Fund – This fund is used to account for school activity, such as operation of after school programs, summer programs, and integrated preschool.

Federal Grant Fund – This fund is used to account for all federal grants used for Town and School related projects and activities.

State and Local Grant Fund – This fund is used to account for all state and local grants used for Town and School related projects and activities.

Town Special Purpose Fund – This fund is used to account for specific revenues that are legally restricted, such as insurance recoveries, sale of graves and real estate, and handicap fines.

Capital Project Fundss

Capital project funds are used to account for financial resources used in the acquisition or construction of major capital facilities (other than those financed by enterprise funds). Such resources are derived principally from proceeds of general obligation bonds and grants. The Town's non-major capital project funds are grouped into the following categories:

Town Capital Projects Fund – This fund is used to account for and report financial resources for the acquisition or construction of non-school capital facilities and other capital assets of the governmental funds.

School Capital Projects Fund – This fund is used to account for and report financial resources for the acquisition or construction of school capital facilities.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support governmental programs.

Town Libraries Fund – This fund is used to account for all contributions received to support the public library.

Cemetery Perpetual Care Fund – This fund is used to account for all contributions associated with cemetery care and maintenance.

Conservation Fund – This fund is used to account for all contributions associated supporting the land conservation within the Town.

Town of Burlington, Massachusetts

Nonmajor Governmental Funds
Combining Balance Sheet

June 30, 2024

Special Revenue Funds									
	Town Revolving Fund	School Revolving Fund	Town Gifts	School Gifts	School Activity Programs	Federal Grants	State & Local Grants	Town Special Purposes Fund	Subtotal
ASSETS									
Cash and cash equivalents.....	\$ 6,779,808	\$ 3,781,168	\$ 419,979	\$ 41,785	\$ 638,173	\$ 261,691	\$ 5,351,794	\$ 748,243	\$ 18,022,641
Investments.....	-	-	-	-	-	-	-	-	-
Receivables, net of uncollectibles:									
Departmental and other.....	408,270	-	-	-	-	-	-	-	408,270
Intergovernmental.....	-	-	-	-	-	-	2,715,681	-	2,715,681
TOTAL ASSETS.....	<u>\$ 7,188,078</u>	<u>\$ 3,781,168</u>	<u>\$ 419,979</u>	<u>\$ 41,785</u>	<u>\$ 638,173</u>	<u>\$ 261,691</u>	<u>\$ 8,067,475</u>	<u>\$ 748,243</u>	<u>\$ 21,146,592</u>
LIABILITIES									
Warrants payable.....	\$ 1,100	\$ 14,243	\$ 523	\$ 2,343	\$ 3,028	\$ 2,673	\$ 964,736	-	\$ 988,646
Accrued payroll.....	19,201	-	-	-	-	-	947	21	20,169
Other liabilities.....	1,056,580	-	-	-	-	-	-	-	1,056,580
Notes payable.....	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES.....	<u>1,076,881</u>	<u>14,243</u>	<u>523</u>	<u>2,343</u>	<u>3,028</u>	<u>2,673</u>	<u>965,683</u>	<u>21</u>	<u>2,065,395</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue.....	<u>408,270</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>742,552</u>	<u>-</u>	<u>1,150,822</u>
FUND BALANCES									
Nonspendable.....	-	-	-	-	-	-	-	-	-
Restricted.....	5,702,927	3,766,925	419,456	39,442	635,145	259,018	6,359,240	748,222	17,930,375
Unassigned.....	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES.....	<u>5,702,927</u>	<u>3,766,925</u>	<u>419,456</u>	<u>39,442</u>	<u>635,145</u>	<u>259,018</u>	<u>6,359,240</u>	<u>748,222</u>	<u>17,930,375</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES..									
	<u>\$ 7,188,078</u>	<u>\$ 3,781,168</u>	<u>\$ 419,979</u>	<u>\$ 41,785</u>	<u>\$ 638,173</u>	<u>\$ 261,691</u>	<u>\$ 8,067,475</u>	<u>\$ 748,243</u>	<u>\$ 21,146,592</u>

Town of Burlington, Massachusetts

Nonmajor Governmental Funds
Combining Balance Sheet (Continued)

June 30, 2024

	Capital Project Funds			Permanent Funds				Total Nonmajor Governmental Funds
	Town Capital Projects	School Capital Projects	Subtotal	Town Libraries	Cemetery Perpetual Care	Conservation	Subtotal	
ASSETS								
Cash and cash equivalents.....	\$ 2,750,994	\$ 499,505	\$ 3,250,499	\$ 5,611	\$ 246,142	\$ 1,046	\$ 252,799	\$ 21,525,939
Investments.....	-	-	-	-	1,128,979	-	1,128,979	1,128,979
Receivables, net of uncollectibles:								
Departmental and other.....	-	-	-	-	-	-	-	408,270
Intergovernmental.....	-	-	-	-	-	-	-	2,715,681
TOTAL ASSETS.....	<u>\$ 2,750,994</u>	<u>\$ 499,505</u>	<u>\$ 3,250,499</u>	<u>\$ 5,611</u>	<u>\$ 1,375,121</u>	<u>\$ 1,046</u>	<u>\$ 1,381,778</u>	<u>\$ 25,778,869</u>
LIABILITIES								
Warrants payable.....	\$ -	\$ 80,666	\$ 80,666	\$ -	\$ -	\$ -	\$ -	\$ 1,069,312
Accrued payroll.....	-	-	-	-	-	-	-	20,169
Other liabilities.....	-	-	-	-	-	-	-	1,056,580
Notes payable.....	-	<u>618,847</u>	<u>618,847</u>	-	-	-	-	<u>618,847</u>
TOTAL LIABILITIES.....	<u>-</u>	<u>699,513</u>	<u>699,513</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,764,908</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue.....	-	-	-	-	-	-	-	1,150,822
FUND BALANCES								
Nonspendable.....	-	-	-	4,497	888,528	1,046	894,071	894,071
Restricted.....	2,750,994	-	2,750,994	1,114	486,593	-	487,707	21,169,076
Unassigned.....	-	(200,008)	(200,008)	-	-	-	-	(200,008)
TOTAL FUND BALANCES.....	<u>2,750,994</u>	<u>(200,008)</u>	<u>2,550,986</u>	<u>5,611</u>	<u>1,375,121</u>	<u>1,046</u>	<u>1,381,778</u>	<u>21,863,139</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES..								
	<u>\$ 2,750,994</u>	<u>\$ 499,505</u>	<u>\$ 3,250,499</u>	<u>\$ 5,611</u>	<u>\$ 1,375,121</u>	<u>\$ 1,046</u>	<u>\$ 1,381,778</u>	<u>\$ 25,778,869</u>

Town of Burlington, Massachusetts

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2024

	Special Revenue Funds								Subtotal
	Town Revolving Fund	School Revolving Fund	Town Gifts	School Gifts	School Activity Programs	Federal Grants	State & Local Grants	Town Special Purposes Fund	
REVENUES:									
Intergovernmental - other.....	\$ 9,600	\$ 86,684	\$ -	\$ -	\$ -	\$ 8,960,539	\$ 9,061,424	\$ 52,197	\$ 18,170,444
Departmental and other.....	5,647,265	3,464,146	875	9,983	2,011,340	-	540,174	95,885	11,769,668
Contributions and donations.....	-	-	151,618	2,186	-	-	-	-	153,804
Investment income.....	430	2,147	-	-	-	-	-	56	2,633
Miscellaneous.....	-	-	-	3,265	-	-	180,826	23,303	207,394
TOTAL REVENUES.....	5,657,295	3,552,977	152,493	15,434	2,011,340	8,960,539	9,782,424	171,441	30,303,943
EXPENDITURES:									
Current:									
General government.....	140,851	-	6,143	-	-	99,873	758,053	-	1,004,920
Public safety.....	2,707,169	-	-	-	-	16,436	384,182	38,266	3,146,053
Education.....	-	3,584,492	-	18,182	1,754,268	1,727,213	4,694,551	-	11,778,706
Public works.....	12,195	-	-	-	-	-	2,017,220	1,302	2,030,717
Health and human services.....	81,568	-	24,425	-	-	-	690,692	6,694	803,379
Water and sewer.....	20,557	-	-	-	-	-	458,593	-	479,150
Culture and recreation.....	1,158,330	-	75,859	-	-	-	32,205	-	1,266,394
Debt service:									
Principal.....	65,000	-	-	-	-	-	-	-	65,000
Interest.....	17,875	-	-	-	-	-	-	-	17,875
TOTAL EXPENDITURES.....	4,203,545	3,584,492	106,427	18,182	1,754,268	1,843,522	9,035,496	46,262	20,592,194
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....									
	1,453,750	(31,515)	46,066	(2,748)	257,072	7,117,017	746,928	125,179	9,711,749
OTHER FINANCING SOURCES (USES):									
Transfers in.....	124,800	500,000	-	-	-	-	134,189	-	758,989
Transfers out.....	(962,695)	-	-	-	-	(7,000,000)	(24,800)	(205,000)	(8,192,495)
TOTAL OTHER FINANCING SOURCES (USES).....	(837,895)	500,000	-	-	-	(7,000,000)	109,389	(205,000)	(7,433,506)
NET CHANGE IN FUND BALANCES.....	615,855	468,485	46,066	(2,748)	257,072	117,017	856,317	(79,821)	2,278,243
FUND BALANCES, 6/30/2023, AS PREVIOUSLY REPORTED.....	5,087,072	3,298,440	373,390	42,190	378,073	-	5,502,923	828,043	15,510,131
ADJUSTMENT - CHANGE FROM MAJOR TO NONMAJOR FUND.....	-	-	-	-	-	142,001	-	-	142,001
FUND BALANCES, 6/30/2023, AS PREVIOUSLY REPORTED.....	5,087,072	3,298,440	373,390	42,190	378,073	142,001	5,502,923	828,043	15,652,132
FUND BALANCES AT END OF YEAR.....	\$ 5,702,927	\$ 3,766,925	\$ 419,456	\$ 39,442	\$ 635,145	\$ 259,018	\$ 6,359,240	\$ 748,222	\$ 17,930,375

Town of Burlington, Massachusetts

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)

Year Ended June 30, 2024

	Capital Project Funds			Permanent Funds			Total Nonmajor Governmental Funds
	Town Capital Projects	School Capital Projects	Subtotal	Town Libraries	Cemetery Perpetual Care	Conservation	
REVENUES:							
Intergovernmental - other.....	\$ -	\$ 343,185	\$ 343,185	\$ -	\$ -	\$ -	\$ 18,513,629
Departmental and other.....	-	-	-	-	-	-	11,769,668
Contributions and donations.....	-	-	-	-	25,500	-	179,304
Investment income.....	93,188	-	93,188	156	65,577	-	161,554
Miscellaneous.....	-	-	-	-	-	-	207,394
TOTAL REVENUES.....	93,188	343,185	436,373	156	91,077	-	30,831,549
EXPENDITURES:							
Current:							
General government.....	-	-	-	-	-	-	1,004,920
Public safety.....	-	-	-	-	-	-	3,146,053
Education.....	-	950,777	950,777	-	-	-	12,729,483
Public works.....	-	-	-	-	-	-	2,030,717
Health and human services.....	-	-	-	-	-	-	803,379
Water and sewer.....	-	-	-	-	-	-	479,150
Culture and recreation.....	-	-	-	-	-	-	1,266,394
Debt service:							
Principal.....	-	-	-	-	-	-	65,000
Interest.....	-	-	-	-	-	-	17,875
TOTAL EXPENDITURES.....	-	950,777	950,777	-	-	-	21,542,971
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....							
	93,188	(607,592)	(514,404)	156	91,077	-	91,233
							9,288,578
OTHER FINANCING SOURCES (USES):							
Transfers in.....	3,185,000	600,000	3,785,000	-	-	-	4,543,989
Transfers out.....	-	-	-	-	-	-	(8,192,495)
TOTAL OTHER FINANCING SOURCES (USES).....	3,185,000	600,000	3,785,000	-	-	-	(3,648,506)
NET CHANGE IN FUND BALANCES.....	3,278,188	(7,592)	3,270,596	156	91,077	-	91,233
FUND BALANCES, 6/30/2023, AS PREVIOUSLY REPORTED.....	(527,194)	(192,416)	(719,610)	5,455	1,284,044	1,046	1,290,545
ADJUSTMENT - CHANGE FROM MAJOR TO NONMAJOR FUND.....	-	-	-	-	-	-	142,001
FUND BALANCES, 6/30/2023, AS PREVIOUSLY REPORTED.....	(527,194)	(192,416)	(719,610)	5,455	1,284,044	1,046	1,290,545
FUND BALANCES AT END OF YEAR.....	\$ 2,750,994	\$ (200,008)	\$ 2,550,986	\$ 5,611	\$ 1,375,121	\$ 1,046	\$ 1,381,778
							\$ 21,863,139

Statistical Section



Completion of the PFAS Filter Facility at Mill Pond Treatment Center.

Statistical Section

This part of the Town of Burlington's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Financial Trends

- These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity

- These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

Debt Capacity

- These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Demographic and Economic Information

- These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

Operating Information

- These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

SOURCES: Unless otherwise noted, the information in these schedules is derived from the Town's financial reports for the relevant year.

Town of Burlington, Massachusetts

Net Position by Component

Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Net Investment in capital assets.....	\$ 117,056,689	\$ 116,649,672	\$ 121,730,037	\$ 128,322,641	\$ 132,131,027	\$ 135,472,043	\$ 135,182,510	\$ 135,757,762	\$ 141,348,109	\$ 152,744,553
Restricted.....	2,365,972	3,214,610	3,345,429	1,261,514	3,564,309	4,947,682	8,397,203	5,877,837	8,557,730	9,201,486
Unrestricted.....	<u>(75,794,406)</u>	<u>(73,402,091)</u>	<u>(138,883,923)</u>	<u>(154,665,663)</u>	<u>(156,869,988)</u>	<u>(166,633,218)</u>	<u>(169,461,764)</u>	<u>(160,211,585)</u>	<u>(150,173,647)</u>	<u>(141,129,300)</u>
Total governmental activities net position.....	\$ 43,628,255	\$ 46,462,191	\$ (13,808,457)	\$ (25,081,508)	\$ (21,174,652)	\$ (26,213,493)	\$ (25,882,051)	\$ (18,575,986)	\$ (267,808)	\$ 20,816,739

The Town implemented GASB 75 and recorded their OPEB Liability for the first time in 2018 and adjusted 2017 for the beginning balance change.

The Town changed the measurement date for GASB 75 and adjusted 2018 for the beginning balance change.

Town of Burlington, Massachusetts

Changes in Net Position

Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government.....	\$ 8,657,177	\$ 8,635,518	\$ 9,065,395	\$ 10,436,272	\$ 10,757,015	\$ 10,754,993	\$ 10,853,670	\$ 12,044,785	\$ 11,503,497	\$ 12,516,895
Public safety.....	22,379,342	23,631,927	25,310,669	27,413,036	28,589,937	33,237,795	35,156,146	31,733,925	35,475,433	36,976,316
Education.....	77,578,174	83,728,960	90,342,349	96,626,764	96,324,627	100,927,823	107,763,007	102,899,408	108,756,973	120,022,378
Public works.....	13,331,433	14,849,928	13,994,668	15,331,714	15,451,109	15,776,273	15,594,023	19,806,492	15,443,417	17,231,305
Water and sewer.....	9,239,696	8,216,296	9,205,607	9,778,407	10,183,413	10,364,167	11,417,408	11,032,363	12,116,948	13,019,422
Human services.....	2,177,276	2,489,924	2,757,820	2,800,110	2,960,887	3,347,591	2,996,114	3,000,888	3,551,816	4,027,389
Culture and recreation.....	5,271,687	5,791,638	6,296,889	6,531,690	6,777,770	7,256,799	6,495,983	6,220,841	7,158,574	8,035,987
Interest.....	1,448,616	1,999,825	1,633,845	1,760,462	1,765,018	2,173,810	2,180,268	1,901,504	2,224,593	2,541,772
Total primary government expenses.....	<u>\$ 140,083,401</u>	<u>\$ 149,344,016</u>	<u>\$ 158,607,242</u>	<u>\$ 170,678,455</u>	<u>\$ 172,809,776</u>	<u>\$ 183,839,251</u>	<u>\$ 192,456,619</u>	<u>\$ 188,640,206</u>	<u>\$ 196,231,251</u>	<u>\$ 214,371,464</u>
Program Revenues										
Governmental activities:										
Education charges for services.....	\$ 3,378,914	\$ 3,627,629	\$ 3,761,899	\$ 4,073,689	\$ 4,429,931	\$ 3,301,252	\$ 2,431,241	\$ 4,898,001	\$ 5,002,797	\$ 5,861,632
Public Safety charges for services.....	3,800,655	3,916,389	3,965,025	4,390,332	3,991,844	3,465,062	5,410,207	9,278,396	10,310,303	8,971,047
Water and sewer charges for services.....	9,463,040	9,812,063	9,282,262	9,219,351	9,312,909	9,327,673	9,652,325	10,180,893	10,262,469	12,129,185
Other charges for services.....	4,127,637	3,686,716	3,806,968	4,297,381	4,228,414	3,308,005	3,771,653	4,349,762	4,007,481	4,260,714
Operating grants and contributions.....	14,584,113	17,655,199	20,566,651	21,612,082	23,832,469	26,382,869	34,736,355	22,614,123	26,874,005	36,743,443
Capital grant and contributions.....	3,047,454	2,087,136	2,234,822	2,283,589	2,274,702	1,236,984	1,098,537	1,761,059	6,480,486	3,278,033
Total primary government program revenues.....	<u>\$ 38,401,813</u>	<u>\$ 40,785,132</u>	<u>\$ 43,617,627</u>	<u>\$ 45,876,424</u>	<u>\$ 48,070,269</u>	<u>\$ 47,021,845</u>	<u>\$ 57,100,318</u>	<u>\$ 53,082,234</u>	<u>\$ 62,937,541</u>	<u>\$ 71,244,054</u>
Net (Expense)/Program Revenue										
Governmental activities.....	\$ (101,681,588)	\$ (108,558,884)	\$ (114,989,615)	\$ (124,802,031)	\$ (124,739,507)	\$ (136,817,406)	\$ (135,356,301)	\$ (135,557,972)	\$ (133,293,710)	\$ (143,127,410)
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate and personal property taxes, net of tax refunds payable.....	\$ 94,505,632	\$ 97,533,719	\$ 102,423,648	\$ 107,849,572	\$ 112,160,859	\$ 116,718,062	\$ 122,476,257	\$ 128,284,211	\$ 133,636,574	\$ 141,642,620
Tax liens.....	281,302	265,140	170,429	339,317	171,838	144,224	308,716	633,488	42,540	508,564
Motor vehicle excise taxes.....	3,636,722	4,569,562	4,371,621	4,701,101	4,580,117	4,405,948	4,413,125	4,303,954	4,639,460	5,161,542
Hotel/motel and meals taxes.....	4,255,813	4,553,039	4,406,850	4,653,341	5,719,911	4,650,523	2,438,799	4,269,708	5,946,849	6,470,870
Penalties and interest on taxes.....	255,365	502,940	462,059	415,121	229,796	275,962	369,596	598,877	493,224	400,763
Payment in lieu of taxes.....	521,090	521,090	521,088	521,086	521,085	521,079	521,081	524,688	520,000	520,000
Grants and contributions not restricted to specific programs.....	2,446,724	2,448,330	2,626,949	2,755,822	2,849,798	2,838,807	2,830,157	3,084,725	3,150,180	3,256,706
Unrestricted investment income.....	236,962	746,779	687,963	756,072	2,121,185	1,983,128	2,418,605	1,164,386	3,173,061	6,250,892
Miscellaneous.....	264,849	252,221	311,448	272,599	291,774	240,832	173,684	-	-	-
Total primary government general revenues and other changes in net position.....	<u>\$ 106,404,459</u>	<u>\$ 111,392,820</u>	<u>\$ 115,982,055</u>	<u>\$ 122,264,031</u>	<u>\$ 128,646,363</u>	<u>\$ 131,778,565</u>	<u>\$ 135,950,020</u>	<u>\$ 142,864,037</u>	<u>\$ 151,601,888</u>	<u>\$ 164,211,957</u>
Changes in Net Position										
Governmental activities.....	\$ 4,722,871	\$ 2,833,936	\$ 992,440	\$ (2,538,000)	\$ 3,906,856	\$ (5,038,841)	\$ 593,719	\$ 7,306,065	\$ 18,308,178	\$ 21,084,547

The Town implemented GASB 75 and recorded their OPEB Liability for the first time in 2018.

Town of Burlington, Massachusetts

Fund Balances, Governmental Funds

Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Committed.....	\$ 2,692,084	\$ 2,642,772	\$ 3,273,982	\$ 2,433,344	\$ 2,497,653	\$ 2,581,608	\$ 3,540,137	\$ 5,008,187	\$ 2,330,967	\$ 8,135,383
Assigned.....	6,861,393	8,017,447	8,113,732	9,851,474	9,168,060	9,265,422	8,277,182	5,963,417	9,417,596	19,363,568
Unassigned.....	<u>24,057,614</u>	<u>27,962,793</u>	<u>28,594,939</u>	<u>29,426,744</u>	<u>33,969,523</u>	<u>35,643,414</u>	<u>38,317,801</u>	<u>49,451,320</u>	<u>63,817,994</u>	<u>60,711,273</u>
Total general fund.....	\$ 33,611,091	\$ 38,623,012	\$ 39,982,653	\$ 41,711,562	\$ 45,635,236	\$ 47,490,444	\$ 50,135,120	\$ 60,422,924	\$ 75,566,557	\$ 88,210,224
All Other Governmental Funds										
Nonspendable.....	\$ 561,251	\$ 588,055	\$ 622,860	\$ 678,191	\$ 715,465	\$ 720,469	\$ 713,871	\$ 714,371	\$ 711,571	\$ 894,071
Restricted.....	7,734,094	9,707,085	7,528,523	15,900,480	15,428,204	22,726,981	31,702,097	19,464,628	16,231,106	21,169,076
Unassigned.....	<u>-</u>	<u>-</u>	<u>(199,165)</u>	<u>(25,941)</u>	<u>(492,410)</u>	<u>-</u>	<u>-</u>	<u>(492,410)</u>	<u>(11,230,851)</u>	<u>(10,614,664)</u>
Total all other governmental funds....	\$ 8,295,345	\$ 10,295,140	\$ 7,952,218	\$ 16,552,730	\$ 15,651,259	\$ 23,447,450	\$ 32,415,968	\$ 19,686,589	\$ 5,711,826	\$ 11,448,483

Town of Burlington, Massachusetts

Changes in Fund Balances, Governmental Funds

Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Real estate and personal property taxes,										
net of tax refunds.....	\$ 94,364,342	\$ 97,422,787	\$ 102,441,907	\$ 108,152,059	\$ 112,529,600	\$ 116,374,473	\$ 122,797,983	\$ 127,295,791	\$ 134,387,035	\$ 141,807,184
Tax and other liens.....	173,535	597,682	302,047	269,043	154,966	157,619	236,777	899,521	324,286	176,024
Motor vehicle excise taxes.....	3,654,777	4,445,017	4,300,023	4,676,730	4,728,466	4,235,974	4,566,602	4,399,008	4,617,231	5,167,329
Hotel/motel and meals taxes.....	4,255,813	4,553,039	4,406,850	4,653,341	5,719,911	4,650,523	2,438,799	4,269,708	5,946,849	6,470,870
Water and sewer charges.....	10,164,519	9,857,220	9,951,388	9,536,910	9,837,388	9,496,118	9,468,798	10,487,564	10,274,301	11,839,112
Ambulance.....	691,362	854,582	883,701	861,949	860,094	723,975	512,041	775,580	765,460	871,356
Penalties and interest on taxes.....	255,365	502,940	462,059	415,121	229,796	275,962	369,596	598,877	493,224	400,763
Fees and rentals.....	504,411	599,641	427,463	442,342	457,792	432,300	552,757	542,603	354,261	316,204
Payment in lieu of taxes.....	521,090	521,089	521,086	521,085	521,079	521,081	524,688	520,000	520,000	
Licenses and permits.....	2,878,533	3,100,402	3,028,400	3,330,137	3,030,530	1,862,128	1,440,711	5,086,767	5,633,691	3,706,514
Intergovernmental.....	18,719,275	21,580,606	25,363,096	28,419,651	28,451,009	30,528,664	36,964,284	27,249,500	36,334,051	43,412,426
Departmental and other.....	6,427,038	6,685,738	6,849,455	7,144,815	7,594,628	6,634,806	8,432,497	11,278,055	11,956,758	13,247,900
Contributions and donations.....	1,002,596	38,742	38,548	57,261	54,453	61,681	49,810	69,599	162,630	179,304
Investment income.....	230,164	561,453	503,844	519,746	1,520,258	1,282,918	1,102,033	789,310	2,785,688	5,708,147
Miscellaneous.....	502,723	474,277	387,817	941,300	601,308	402,777	832,158	903,318	367,140	475,164
Total Revenue.....	144,345,543	151,795,216	159,867,686	169,941,491	176,291,284	177,640,997	190,285,927	195,169,889	214,922,605	234,298,297
Expenditures:										
General government.....	7,802,938	5,804,651	5,970,596	6,658,485	7,121,559	6,489,315	7,214,677	8,193,020	7,100,452	7,739,917
Public safety.....	14,870,137	14,721,094	15,386,842	16,412,994	17,025,854	18,206,764	21,533,047	21,752,204	23,367,438	23,930,295
Education.....	57,398,922	60,331,384	65,110,130	70,225,351	70,565,581	70,560,012	64,920,727	76,372,439	81,444,913	89,988,485
Public works.....	11,487,236	11,196,412	8,215,506	8,707,745	8,685,126	8,309,022	18,287,119	13,293,191	9,274,177	8,208,392
Water and sewer.....	8,490,328	7,548,217	8,492,571	9,000,519	9,489,639	9,500,068	10,517,377	10,163,124	11,220,326	12,004,888
Human services.....	1,582,618	1,746,801	1,799,828	1,769,455	1,859,551	1,886,593	1,920,856	2,004,198	2,293,468	2,728,800
Culture and recreation.....	3,625,733	3,887,724	4,138,289	4,163,638	4,253,069	4,112,297	3,707,104	4,053,661	4,798,978	5,105,708
Pension benefits.....	12,701,305	15,818,297	19,897,267	20,780,933	21,589,623	25,080,321	28,162,811	21,081,449	22,846,791	25,650,369
Employee benefits.....	12,461,960	12,823,927	13,472,865	14,079,015	14,875,813	15,545,830	15,330,899	16,037,835	16,384,756	17,524,592
State and county charges.....	639,045	669,535	704,531	697,443	765,795	947,862	977,357	1,093,522	946,271	948,594
Capital outlay.....	5,488,898	7,630,493	12,140,365	14,318,811	11,484,236	18,707,985	17,881,608	21,471,253	27,370,231	14,724,059
Debt service:										
Principal.....	3,686,506	3,629,243	3,937,840	3,849,542	3,544,357	3,560,487	3,714,037	4,262,855	4,181,277	4,300,132
Interest.....	1,759,278	1,826,655	1,864,794	1,808,139	1,947,435	2,225,894	2,299,712	2,513,686	3,038,889	3,063,742
Total Expenditures.....	141,994,904	147,634,433	161,131,424	172,472,070	173,207,638	185,132,450	196,467,331	202,292,437	214,267,967	215,917,973
Excess of revenues over (under) expenditures.....	2,350,639	4,160,783	(1,263,738)	(2,530,579)	3,083,646	(7,491,453)	(6,181,404)	(7,122,548)	654,638	18,380,324
Other Financing Sources (Uses)										
Issuance of long-term debt.....	7,712,000	1,735,200	224,750	12,860,000	277,500	15,644,975	15,125,500	4,220,000	300,000	-
Issuance of debt refunding.....	-	2,058,000	-	-	-	5,265,025	5,737,000	-	-	-
Premium from issuance of debt.....	81,885	1,091,629	55,707	-	153,467	1,005,467	851,894	460,973	214,232	-
Premium from issuance of refunding bonds.....	-	313,910	-	-	-	848,140	919,036	-	-	-
Payments to refunded bond escrow agents.....	(793,918)	(2,347,806)	-	-	-	(6,113,165)	(6,571,659)	-	-	-
Lease financing.....	1,800,000	-	-	-	-	-	1,995,104	-	-	-
Transfers in.....	4,829,186	2,397,772	4,205,304	3,110,751	4,949,029	3,601,298	1,863,402	160,055	2,165,537	13,726,684
Transfers out.....	(4,829,186)	(2,397,772)	(4,205,304)	(3,110,751)	(4,949,029)	(3,601,298)	(1,863,402)	(160,055)	(2,165,537)	(13,726,684)
Total other financing sources (uses).....	8,799,967	2,850,933	280,457	12,860,000	430,967	16,650,442	18,056,875	4,680,973	514,232	-
Net change in fund balance.....	\$ 11,150,606	\$ 7,011,716	\$ (983,281)	\$ 10,329,421	\$ 3,514,613	\$ 9,158,989	\$ 11,875,471	\$ (2,441,575)	\$ 1,168,870	\$ 18,380,324
Debt service as a percentage of noncapital expenditures.....	3.99%	3.90%	3.89%	3.58%	3.40%	3.48%	3.37%	3.75%	3.86%	3.66%

Town of Burlington, Massachusetts

Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates

Last Ten Years

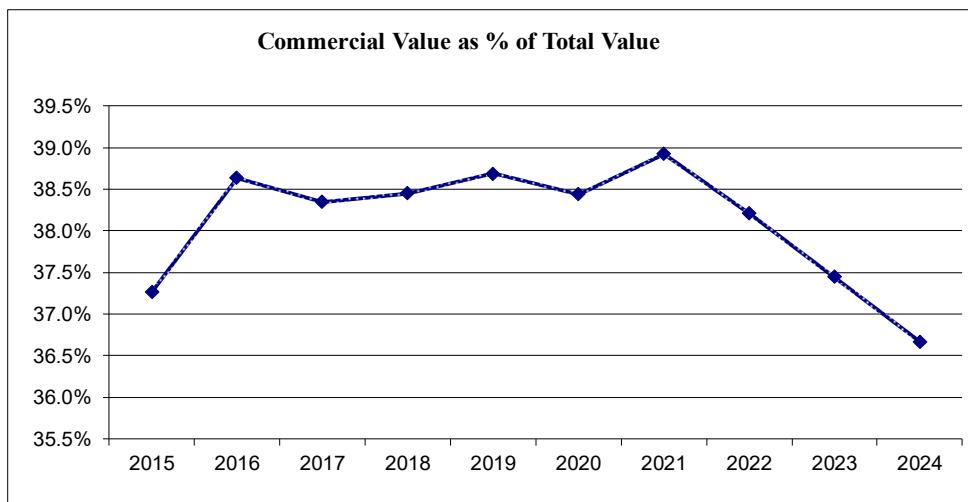
Year	Assessed and Actual Values and Tax Rates										
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Commercial % of Total Value	Direct Tax Rate	Total Town Value	
2015	\$ 3,318,511,275	\$ 11.35	\$ 1,641,350,579	\$ 177,610,700	\$ 152,236,170	\$ 1,971,197,449	\$ 29.40	37.3%	\$ 18.08	\$ 5,289,708,724	
2016	3,396,245,775	11.46	1,805,825,709	171,725,500	161,002,910	2,138,554,119	28.28	38.6%	17.96	5,534,799,894	
2017	3,604,357,624	11.06	1,899,398,165	177,095,736	165,475,930	2,241,969,831	28.10	38.3%	17.59	5,846,327,455	
2018	3,841,090,234	10.62	2,046,022,312	176,191,636	177,237,860	2,399,451,808	27.56	38.4%	17.13	6,240,542,042	
2019	4,054,482,144	10.48	2,191,892,348	180,360,290	186,055,290	2,558,307,928	27.22	38.7%	16.96	6,612,790,072	
2020	4,583,885,284	9.64	2,458,773,262	199,684,672	203,853,020	2,862,310,954	25.54	38.4%	15.75	7,446,196,238	
2021	4,685,932,869	9.95	2,554,030,077	203,221,672	229,078,670	2,986,330,419	25.84	38.9%	16.13	7,672,263,288	
2022	4,912,594,165	9.95	2,619,450,965	204,767,488	213,350,320	3,037,568,773	26.64	38.2%	16.33	7,950,162,938	
2023	5,367,998,198	9.40	2,782,585,886	213,606,314	217,267,970	3,213,460,170	26.15	37.4%	15.67	8,581,458,368	
2024	5,935,041,299	8.94	2,974,322,957	230,178,092	231,881,610	3,436,382,659	25.81	36.7%	15.13	9,371,423,958	

Total Assessed Value by Classification
Fiscal Year Ended June 30, 2023

Classification	Percentage
Residential	63%
Commercial	32%
Industrial	2%
Personal Property	3%

Total Assessed Value by Classification
Fiscal Year Ended June 30, 2024

Classification	Percentage
Residential	63%
Commercial	32%
Industrial	2%
Personal Property	3%



Source: Assessor's Department, Town of Burlington
All property in the Commonwealth of Massachusetts is assessed at 100% of fair cash value.

Note: Chapter 59, Section 21C of the Massachusetts General Laws, known as "Proposition 2 1/2", imposes 2 separate limits on the annual tax levy of the Town. The primary limitation is that the tax levy cannot exceed 2 1/2 percent of the full and fair cash value. The secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding year as determined by the State Commissioner of Revenue by more than 2 1/2 percent, subject to an exception for property added to the tax rolls and for certain substantial valuation increases other than as part of a general revaluation. The secondary limit may be exceeded in any year by a majority vote of the voters, however it cannot exceed the primary limitation.

Town of Burlington, Massachusetts

Principal Taxpayers

Current Year and Nine Years Ago

Name	Nature of Business	2024			Percentage of Total Taxable Assessed Value	2015			Percentage of Total Taxable Assessed Value
		Assessed Valuation	Rank	Assessed Valuation		Assessed Valuation	Rank		
Bellwether Prop. Of Mass	Retail	\$ 277,124,900	1	3.0%	\$ 201,254,600	1	3.8%		
NDB Property Owner 1 LP	Office/Real Estate Development	251,223,500	2	2.7%	-				
NEEP Investors Holdings LLC	Office Building	225,701,220	3	2.4%	-				
EMD Millipore Corporation	Office Building	88,975,600	4	0.9%	-				
Wayside Commons Investors LLC	Office Building	88,464,300	5	0.9%	66,209,600	6	1.3%		
Oracle USA INC	Computer Network Systems	84,807,800	6	0.9%	50,654,900	9	1.0%		
Burlington Mall FB-I LLC	Retail	81,780,240	7	0.9%	63,493,600	7	1.2%		
ARCP OFC Burl (Phase 2) LLC	Office Building	75,500,700	8	0.8%	-				
NSTAR Electric & Gas Company	Utility Provider	74,624,000	9	0.8%	-				
PIEDMONT 5 & 15 Wayside LLC	Office Building	64,685,730	10	0.7%	36,959,300	10	0.7%		
Network Drive Owner LLC	Office Building	-			153,333,300	2	2.9%		
N.E. Executive	Office Building	-			128,289,700	3	2.4%		
Nordbloom	Office Building	-			98,615,100	4	1.9%		
Gutierres/Auburn-Oxford	Office Building	-			87,347,000	5	1.7%		
Burlington Center Owner LLC	Office Building	-			57,373,400	8	1.1%		
Totals		\$ 1,312,887,990		14.0%	\$ 943,530,500		17.8%		

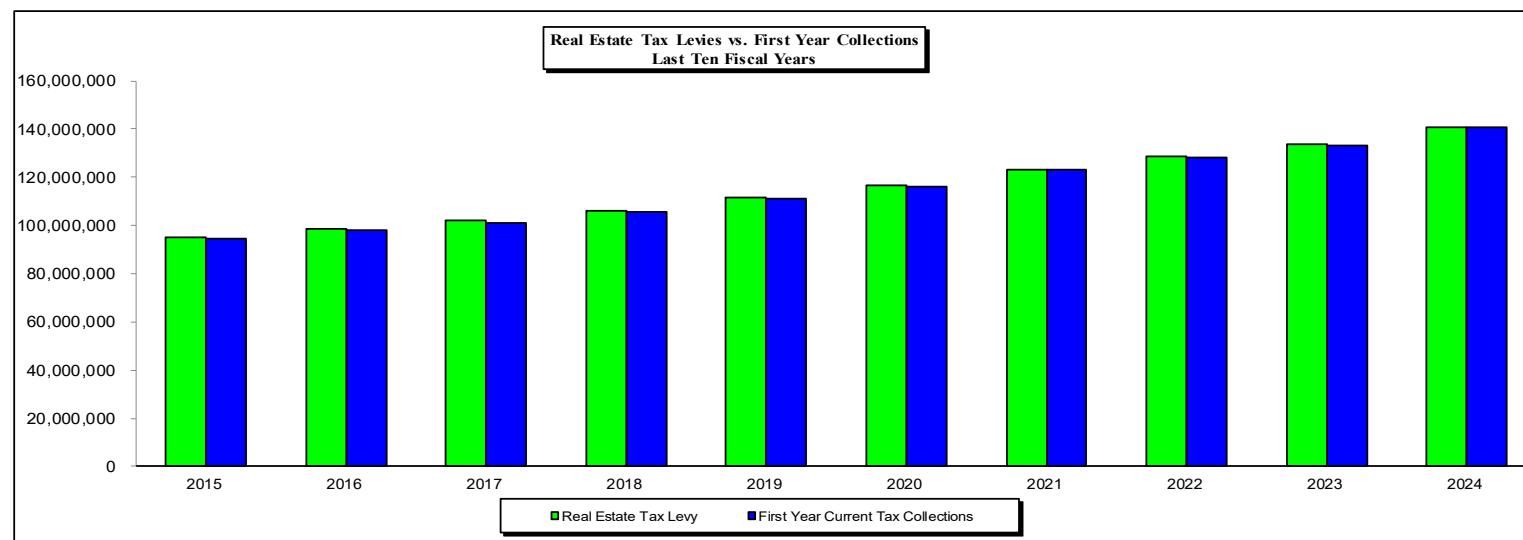
Source: Town of Burlington, Assessor Department

Town of Burlington, Massachusetts

Property Tax Levies and Collections

Last Ten Years

Year	Total Tax Levy	Less: Allowance for Abatements & Exemptions	Net Tax Levy	Net as % of Total	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Net Tax Levy
2015	\$ 95,618,308	\$ 766,870	\$ 94,851,438	99.20%	\$ 94,591,684	99.73%	\$ 259,754	\$ 94,851,438	100.00%
2016	99,399,287	657,037	98,742,250	99.34%	98,252,845	99.50%	489,405	98,742,250	100.00%
2017	102,863,547	1,000,000	101,863,547	99.03%	101,149,845	99.30%	514,519	101,664,364	99.80%
2018	106,921,270	706,429	106,214,841	99.34%	105,840,850	99.65%	373,991	106,214,841	100.00%
2019	112,128,115	688,750	111,439,365	99.39%	111,009,120	99.61%	430,245	111,439,365	100.00%
2020	117,292,076	411,265	116,880,811	99.65%	115,936,752	99.19%	944,059	116,880,811	100.00%
2021	123,791,810	484,659	123,307,151	99.61%	122,941,688	99.70%	365,463	123,307,151	100.00%
2022	129,801,144	1,000,000	128,801,144	99.23%	128,222,413	99.55%	218,844	128,441,257	99.72%
2023	134,491,167	1,000,000	133,491,167	99.26%	133,325,175	99.88%	165,992	133,491,167	100.00%
2024	141,752,306	1,000,000	140,752,306	99.29%	140,613,052	99.90%	-	140,613,052	99.90%



The allowance for abatements and exemptions is the tax year estimate of potential reductions of taxes. The estimate has been adjusted to reflect actual abatements granted, or potential remaining abatements, as applicable.

Town of Burlington, Massachusetts

Ratios of Outstanding Debt and General Bonded Debt

Last Ten Years

Year	Population Estimates	Personal Income	Assessed Value	Governmental Bonded Debt					Percentage of Personal Income
				General Obligation Bonds	Direct Borrowings & Capital Financing	Total Long-Term Debt Outstanding	Per Capita		
2015	25,190	\$ 867,266,510	\$ 5,289,708,724	\$ 48,525,522	\$ 5,493,057	\$ 54,018,579	\$ 2,144	6.23%	
2016	25,463	1,003,445,904	5,534,799,894	47,998,608	5,239,014	53,237,622	2,091	5.31%	
2017	25,128	1,025,121,888	5,846,327,455	44,448,333	4,935,924	49,384,257	1,965	4.64%	
2018	25,392	1,109,005,000	6,240,542,042	53,750,912	4,411,382	58,162,294	2,291	3.94%	
2019	25,634	1,183,153,804	6,612,790,072	50,473,175	4,204,525	54,677,700	2,133	4.33%	
2020	26,143	1,272,196,809	7,446,196,238	64,043,937	3,684,038	67,727,975	2,591	5.08%	
2021	26,186	1,360,890,640	7,672,263,288	76,474,838	3,432,501	79,907,339	3,052	5.54%	
2022	26,720	1,530,735,360	7,950,162,938	77,148,030	4,050,343	81,198,373	3,039	5.30%	
2023	26,512	1,564,711,160	8,581,458,368	73,365,544	3,454,066	76,819,610	2,898	4.91%	
2024	26,655	1,689,127,350	9,371,423,958	69,564,495	2,508,934	72,073,429	2,704	4.27%	

Year	Total Governmental Activity				
	Lease Obligations	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2015	\$ 1,465,481	\$ 55,484,060	\$ 2,144	6.40%	1.05%
2016	1,117,689	54,355,311	2,091	5.42%	0.98%
2017	850,149	50,234,406	1,965	4.72%	0.83%
2018	574,839	58,737,133	2,291	3.99%	0.71%
2019	291,533	54,969,233	2,133	4.36%	0.78%
2020	-	67,727,975	2,591	5.11%	0.87%
2021	1,495,697	81,403,036	3,052	5.56%	0.99%
2022	-	81,198,373	3,039	5.30%	1.02%
2023	-	76,819,610	2,898	4.91%	0.90%
2024	-	72,073,429	2,704	4.27%	0.77%

Town of Burlington, Massachusetts

Direct and Overlapping Governmental Activities Debt

As of June 30, 2023

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Shawsheen Valley Technical Vocational School.....	\$ 3,525,000	9.45%	\$ 333,113
MWRA.....	4,828,951,000	0.85%	<u>40,901,215</u>
Subtotal, overlapping debt.....			<u>41,234,328</u>
Direct debt:			
General Governmental Debt.....			<u>72,073,429</u>
Total direct and overlapping debt.....			<u>\$ 113,307,757</u>

Source: Town of Burlington, Finance Department and related organizations.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the taxpayers of Town. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Town of Burlington, Massachusetts

Computation of Legal Debt Margin

Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Equalized Valuation.....	\$ 5,185,943,200	\$ 6,191,239,400	\$ 6,191,239,400	\$ 7,011,898,700	\$ 7,011,898,700	\$ 8,100,649,200	\$ 8,100,649,200	\$ 9,008,541,100	\$ 9,008,541,100	\$ 10,328,040,400
Debt Limit -5% of Equalized Valuation...	259,297,160	309,561,970	309,561,970	350,594,935	350,594,935	405,032,460	405,032,460	450,427,055	450,427,055	516,402,020
Less:										
Outstanding debt applicable to limit....	32,150,185	36,847,825	34,528,310	32,073,395	42,771,380	55,681,540	67,343,275	67,052,200	64,415,225	72,211,662
Authorized and unissued debt.....	15,926,977	17,311,800	15,230	23,295,000	25,515,000	6,635,000	14,725,000	23,025,000	14,634,650	11,634,650
Legal debt margin.....	\$ 211,219,998	\$ 255,402,345	\$ 275,018,430	\$ 295,226,540	\$ 282,308,555	\$ 342,715,920	\$ 322,964,185	\$ 360,349,855	\$ 371,377,180	\$ 432,555,708
Total debt applicable to the limit as a percentage of debt limit.....	18.54%	17.50%	11.16%	15.79%	19.48%	15.39%	20.26%	20.00%	17.55%	16.24%

Source: Town of Burlington, Treasurer's Department

Town of Burlington, Massachusetts

Demographic and Economic Statistics

Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2015	25,190	\$ 867,266,510	\$ 34,429	42.0	3,799	3.8%
2016	25,463	1,003,445,904	39,408	42.0	3,508	3.4%
2017	25,128	1,025,121,888	40,796	47.0	3,521	3.5%
2018	25,392	1,109,005,000	43,154	47.0	3,520	2.9%
2019	25,634	1,183,153,804	45,962	47.0	3,533	2.3%
2020	26,143	1,272,196,809	48,663	47.0	3,509	13.3%
2021	26,186	1,360,890,640	51,248	44.0	3,388	5.4%
2022	26,720	1,530,735,360	57,288	45.0	3,440	2.8%
2023	26,512	1,654,481,360	62,405	44.7	3,412	2.3%
2024	26,655	1,689,127,350	63,370	44.5	3,525	3.6%

The 2020 unemployment rate increase is due to the COVID-19 pandemic.

Source: U. S. Census, Division of Local Services

Median age is based on most recent census data

MA Department of Elementary and Secondary Education

School and Town Clerk Departments, Town of Burlington

MA Office of Workforce Development

Information came from Burlington Town Report.

Information can be used from link below

<http://www.city-data.com/city/Burlington-Massachusetts.html>

Town of Burlington, Massachusetts

Principal Employers

Current Year and Nine Years Ago

Employer	Nature of Business	2024		Percentage of Total Town Employment	2015		Percentage of Total Town Employment
		Employees	Rank		Employees	Rank	
Lahey Hospital & Medical	Health Care	5,650	1	13.3%	5,040	1	12.3%
Endurance International	Information	3,700	2	8.7%	-	-	0.0%
CIRCOR International	Manufacturing	3,000	3	7.0%	-	-	0.0%
Genesis HR Solutions	Consulting	3,000	4	7.0%	-	-	0.0%
Oracle	Software/Communications	1,500	5	3.5%	2,300	2	5.6%
Cerrence Inc.	Information	1,500	6	3.5%	-	-	0.0%
Avid Technology Inc.	Arts and Culture	1,000	7	2.3%	800	4	2.0%
Keurig Dr. Pepper Inc.	Wholesale	800	8	1.9%	750	6	1.8%
Progress Software	Software/Communications	750	9	1.8%	-	-	0.0%
Everbridge	Software/Communications	750	10	1.8%	-	-	0.0%
Siemens-Nixdorff	Information Technology	-	-	0.0%	1,000	3	2.4%
Burlington Mall	Retail	-	-	0.0%	750	5	1.8%
Wegmans	Retail	-	-	0.0%	630	7	1.5%
Nuance	Software/Communications	-	-	0.0%	525	8	1.3%
One Communications	Telecom	-	-	0.0%	420	9	1.0%
Federal Aviation Admin	Government	-	-	0.0%	385	10	0.9%
Total		<u>21,650</u>		<u>51%</u>	<u>12,600</u>		<u>31%</u>

Source: Massachusetts Workplace Development

Town of Burlington, Massachusetts

Full-Time Equivalent Town Employees by Function

Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function										
General government.....	43	43	43	43	43	43	44	43	45	45
Public Safety.....	146	147	152	157	160	160	161	159	159	150
Education.....	570	576	578	594	598	600	603	605	616	690
Public works.....	61	64	64	64	64	64	66	65	66	65
Human services.....	20	20	20	21	21	21	21	22	24	21
Culture and recreation.....	26	31	32	32	32	32	32	32	32	34
Total	866	881	889	911	918	920	927	926	942	1,005

Source: Town personnel records and various Town departments.

Town of Burlington, Massachusetts

Operating Indicators by Function/Program

Last Ten Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Population.....	25,190	25,463	25,128	25,392	25,634	26,143	26,186	26,720	26,512	26,655
Registered Voters, Annual Town Election.....	15,065	15,776	16,196	16,022	16,240	16,566	17,283	17,120	17,074	17,371
Town Clerk										
Births.....	252	201	278	288	282	280	174	294	274	275
Marriages.....	130	103	115	145	119	161	76	152	129	161
Deaths.....	1,040	776	1,023	1,039	1,000	705	753	1,254	1,281	1,300
Dogs licensed.....	2,314	2,365	2,431	2,427	2,410	2,464	2,586	2,649	2,634	2,630
Police										
Documented calls for police services.....	21,186	27,629	28,971	27,756	28,333	33,494	29,427	41,190	38,575	39,641
Uniform crimes reported.....	489	592	586	544	526	473	371	496	586	677
Arrests.....	175	225	202	200	186	165	225	377	440	461
Traffic citations issued.....	3,176	4,332	6,033	3,426	4,588	1,742	1,414	2,190	4,308	2,154
Parking tickets issued.....	-	-	-	-	-	-	-	27	170	353
False burglary alarms.....	1,365	1,558	1,625	1,624	1,486	1,395	1,194	1,181	1,236	1,376
Total number of animal complaints.....	325	411	395	410	437	406	332	450	424	439
Fire										
Inspections.....	763	774	728	961	729	738	779	887	899	935
Plan reviews.....	315	268	211	280	47	326	240	67	74	657
Permits/certificates issued.....	785	980	639	636	731	680	716	733	776	367
Emergency responses.....	6,662	7,436	7,581	7,450	7,597	7,203	7,262	8,247	8,412	8,747
Building Department										
Permits issued.....	2,726	3,632	5,174	3,242	4,173	3,269	3,561	3,945	3,857	3,470
Education										
Public school enrollment.....	3,499	3,508	3,521	3,520	3,533	3,509	3,388	3,440	3,412	3,525
Public Works										
Cemetery										
Lots sold.....	54	51	59	54	46	47	61	29	29	32
Interments.....	148	144	167	158	167	177	175	124	156	149
Recycling/tons.....	2,297	2,392	2,409	2,287	1,291	2,285	2,332	2,279	2,130	2,157
Human Services										
Board of Health										
Permits issued.....	294	430	335	334	382	381	371	391	773	769
Inspections.....	809	1,357	800	1,116	1,291	1,074	886	916	980	962
Volumes in collection.....	115,599	111,892	117,750	130,482	139,945	149,365	152,067	157,303	165,038	178,069
Circulation.....	285,019	277,987	276,372	249,475	312,623	201,272	171,271	238,759	240,898	249,104
Program attendance.....	9,010	9,578	11,123	10,761	11,576	8,703	4,528	8,323	11,044	13,478
Visits.....	150,292	148,694	153,331	149,561	149,872	99,361	22,470	84,113	104,224	69,164
Hours of operation.....	2,992	2,993	3,009	3,016	3,044	2,129	2,235	2,996	3,032	3,034
Youth & Family Services										
Misc resident clinical consultation hours.....	339	503	514	684	594	692	637	650	642	745
Recreation										
Participants.....	39,809	29,374	37,478	50,139	55,163	40,495	31,873	36,746	42,359	44,783

Source: Various Town Departments

Town of Burlington, Massachusetts

Capital Asset Statistics by Function/Program

Last Ten Years

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Government										
Number of Buildings.....	14	14	14	14	14	14	14	14	14	14
Police										
Number of Stations.....	1	1	1	1	1	1	1	1	1	1
Police personnel and officers.....	75	75	76	77	78	79	79	79	79	79
Fire										
Number of Stations.....	2	2	2	2	2	2	2	2	2	2
Fire personnel and officers.....	65	66	70	74	74	74	74	74	74	74
Education										
Number of elementary schools.....	4	4	4	4	4	4	4	4	4	4
Number of middle schools.....	1	1	1	1	1	1	1	1	1	1
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Number of teachers.....	299	299	308	322	315	312	315	312	312	312
Number of students.....	3,799	3,508	3,521	3,520	3,533	3,509	3,388	3,440	3,412	3,440
Public Works										
Water mains (miles).....	149	149	149	149	149	149	149	149	149	149
Sanitary sewers (miles).....	121	121	121	121	121	121	121	121	121	121
Storm sewers (miles).....	117	117	117	117	117	117	117	117	117	117
Human Services										
Senior Center Facility.....	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Libraries.....	1	1	1	1	1	1	1	1	1	1
Conservation land (acreage).....	283	283	283	283	283	283	283	283	283	283

Source: Various Town Departments

**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***

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*

To the Honorable Select Board
Town of Burlington, Massachusetts

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, each major fund, and the aggregate remaining fund information of the Town of Burlington, Massachusetts (the Town), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Burlington, Massachusetts' basic financial statements, and have issued our report thereon dated January 31, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town'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.

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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from 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 statements. 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*.

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 Town of Burlington, Massachusetts' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

Boston, MA
January 31, 2025