

TOWN OF BURLINGTON, MASSACHUSETTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT



For the Year Ended June 30, 2025



DPW crew milling at Guild Road

TOWN OF BURLINGTON, MASSACHUSETTS
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2025



Prepared by:
Accounting Department

TOWN OF BURLINGTON, MASSACHUSETTS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

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	29
Governmental Funds – Balance Sheet	31
Reconciliation of the Governmental Balance Sheet Total Fund Balances to Statement of Net Position.....	32
Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances.....	33
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	34
Proprietary Funds – Statement of Net Position.....	35
Proprietary Funds – Statement of Revenues, Expenses and Changes in Net Position	36
Proprietary Funds – Statement of Cash Flows.....	37
Fiduciary Funds – Statement of Fiduciary Net Position	38
Fiduciary Funds – Statement of Changes in Fiduciary Net Position	39
Notes to Basic Financial Statements.....	40
Required Supplementary Information	82
General Fund Budgetary Comparison Schedule	83
Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund – Budget and Actual	84
Pension Plan Schedules.....	88
Schedule of the Town's Proportionate Share of the Net Pension Liability	89
Schedule of the Town's Contributions	90
Schedule of Special Funding Amounts of the Net Pension Liability	91
Other Postemployment Benefits Plan Schedules	92
Schedule of Changes in the Town's Net OPEB Liability and Related Ratios	93

TOWN OF BURLINGTON, MASSACHUSETTS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS (CONTINUED)

Schedule of the Town's Contributions	94
Schedule of Investment Returns	95
Notes to Required Supplementary Information.....	96
Combining Statements.....	101
Nonmajor Governmental Funds	102
Nonmajor Governmental Funds – Combining Balance Sheet.....	104
Nonmajor Governmental Funds – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	106
Statistical Section	109
Net Position by Component – Last Ten Years.....	110
Changes in Net Position – Last Ten Years.....	111
Fund Balances, Governmental Funds – Last Ten Years	112
Changes in Fund Balances, Governmental Funds – Last Ten Years	113
Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates – Last Ten Years	114
Principal Taxpayers – Current Year and Nine Years Ago	115
Property Tax Levies and Collections – Last Ten Years.....	116
Ratios of Outstanding Debt and General Bonded Debt – Last Ten Years.....	117
Direct and Overlapping Governmental Activities Debt.....	118
Computation of Legal Debt Margin – Last Ten Years.....	119
Demographic and Economic Statistics – Last Ten Years	120
Principal Employers – Current Year and Nine Years Ago	121
Full-Time Equivalent Town Employees by Function – Last Ten Years.....	122
Operating Indicators by Function/Program – Last Ten Years	123
Capital Asset Statistics by Function/Program – Last Ten Years	124
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	125

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

December 26, 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, for the year ending June 30, 2025, 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. 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. 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’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’s financial statements have been audited by CBIZ CPAs P.C., 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, for the year ended June 30, 2025, 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’s financial statements for the year ended June 30, 2025, 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 is 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'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 2024 census conducted by the Burlington Town Clerk, Burlington is home to a population of approximately 27,430.

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 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 FY25 projected commercial tax levy accounted for 63% of the total tax levy, while the residential levy contributed 37%. This resulted in approximately \$85 million in commercial property taxes and \$55 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 2,100 businesses employing roughly 42,600 individuals, mostly categorized in professional services, technology, healthcare, and retail. Over the past fiscal year, Burlington's unemployment rate averaged 4.1%, remaining well below the state average of 4.5%.

Burlington's commercial real estate market had new leasing activity in FY2025, tracked by Costar, with 300,000 square feet of leases signed across new deals, expansions, relocations, and renewals. Notable leases reflect the diversity of industries within the local economy:

- Pramand (Med-Tech): Relocated to 41,400 SF at Blue Sky Drive (moved from Bedford).
- Black Duck Software: Renewed 45,000 SF at The District, a strong retention signal.
- Mid-size leasing at Summit Drive and Wall Street shows steady demand.
- Office vacancy remains high at 20% (per COSTAR over the past four quarters). Burlington continues to serve as a regional hub with diverse leasing activity.
- Additionally, 51 new DBAs have been filed with the Clerk's office.
 - Those businesses fall into three categories.
 - Wellness: The majority of filings indicate consumer demand for health/wellness services.
 - Lifestyle: Pickler and J7 Adventure Land in the experiential retail zoning.
 - Food: Cava, Tatte, and Life Alive, which are also more health-conscious dining options.
 - The small business ecosystem continues to show its vitality.

In FY2025, Burlington issued 154 commercial building permits, reflecting nearly \$75 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 \$17.8 million, a general stabilization fund balance of \$11.8 million, and an Other Post-Employment Benefits Trust Fund balance of \$20.8 million. Free Cash was certified at over \$27.8 million as of June 30, 2025, 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, 2024. This was the 10th 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,

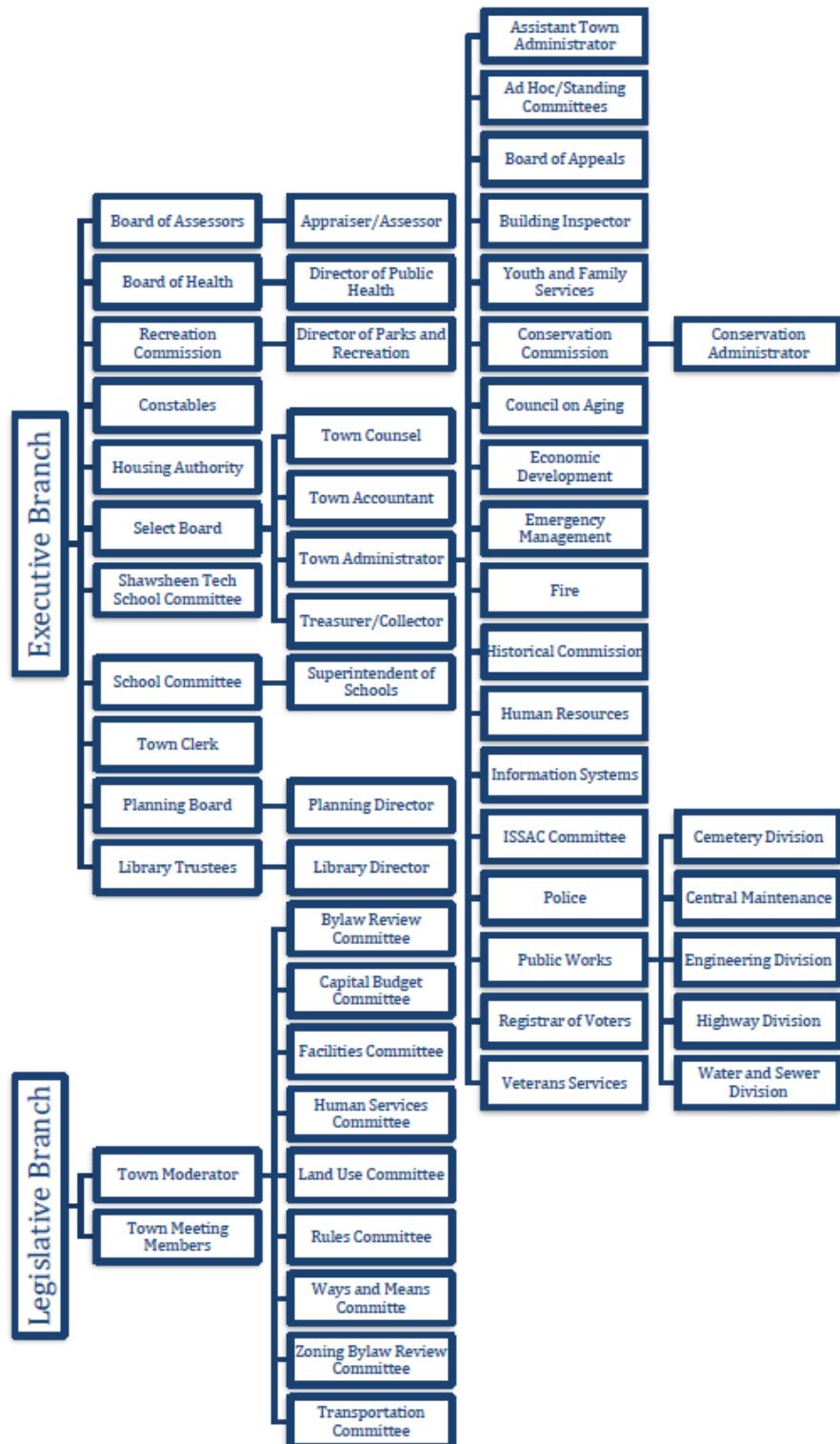
John Danizio

John Danizio
Town Administrator

Town of Burlington, Massachusetts

Organizational Chart

As of June 30, 2025



Town of Burlington, Massachusetts

Principal Town Officials

As of June 30, 2025

Elected Officials

	<u>Term Expires</u>	
Select Board	Michael Espejo, Chair Jim Tigges, Vice Chair Joseph Morandi Nicholas Priest Sarah Cawley	2028 2026 2027 2028 2027
Moderator	William Beyer	2026
Town Clerk	Jennifer Priest	2026
Assessors	Catherine O'Neil, Chair Paul Sheehan Kevin Sheehan	2028 2027 2026
School Committee	Melissa Massardo, Chair Katherine Bond, Vice Chair Christine Monaco Jeremy Brooks Meghan Nawoichik	2028 2028 2026 2026 2027

Appointed Officials

Town Administrator	John Danizio
Assistant Town Administrator	Patrick Lawlor
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	Ana-Maria DeRosa



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, 2024

Christopher P. Monell

Executive Director/CEO

This page intentionally left blank.

Financial Section



Police department temporary site at 171 Middlesex Turnpike.

Financial Section

This page intentionally left blank.

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 (the "Town"), as of and for the year ended June 30, 2025, 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, 2025, 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.

Emphasis of Matter

As discussed in Note 14 to the financial statements, in 2025, the Town adopted new accounting guidance, GASB Statement 101 *Compensated Absences*. As a result, beginning net position of the governmental activities has been restated. Our opinion is not modified with respect to this matter.

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 December 26, 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.

CBIZ CPAs P.C.

Boston, MA
December 26, 2025

Management's Discussion and Analysis

Town of Burlington, Massachusetts

Management's Discussion and Analysis

As of June 30, 2025

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, 2025. 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 \$12 million (net position).
- The Town recognized their net pension liability of \$139.9 million along with a deferred outflow and deferred inflow of resources related to pension of \$8.6 million and \$3.0 million, respectively, on the statement of net position.
- The Town recognized their net other postemployment liability of \$111.7 million along with a deferred outflow and deferred inflow of resources related to other postemployment benefits of \$7.0 million and \$11.1 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 \$72.9 million, a decrease of \$15.3 million in comparison with the prior year. Total fund balance represents 37% of total general fund expenditures. Approximately \$50.2 million of this total amount is available for appropriation at the Town's discretion, \$7.3 million is committed for capital articles approved by Town Meeting, \$2.3 million is committed for water stabilization, and \$13.2 million is assigned for encumbrances carried forward to the subsequent year and amounts reserved for the fiscal year 2026 budget.
- The Town's total debt (short-term and long-term combined) was \$87.1 million at year end, a net increase of \$7.4 million during the current year. During the current year, the Town issued \$17.9 million of long term debt and \$2.5 million short-term debt.

Town of Burlington, Massachusetts

Management's Discussion and Analysis

As of June 30, 2025

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 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, 2025

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 2025 in comparison to 2024.

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 assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$12 million at the close of 2025.

Town of Burlington, Massachusetts

Management's Discussion and Analysis

As of June 30, 2025

Net position of \$177.3 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 \$22.2 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 \$187.5 million deficit, due to the cumulative effect of recording a \$139.9 million net pension liability and \$111.7 million net OPEB liability through June 30, 2025.

In 2025, GASB #101 *Compensated Absences* was required to be implemented by the Town. This standard establishes new recognition and measurement requirements for compensated absences, such as unused vacation, sick leave, and other paid time off benefits. GASB 101 requires that liabilities for compensated absences be recognized when earned by employees, rather than when paid or taken. The Town restated the governmental activities' beginning net position by \$20.8 million to implement retrospectively.

	2025	2024 (As restated)
Assets:		
Current assets.....	\$ 154,911,261	\$ 153,489,394
Capital assets, non depreciable.....	54,583,398	48,228,446
Capital assets, net of accumulated depreciation..	<u>189,185,480</u>	<u>184,453,206</u>
Total assets.....	<u>398,680,139</u>	<u>386,171,046</u>
 Deferred outflows of resources.....	<u>15,659,523</u>	<u>22,781,099</u>
 Liabilities:		
Current liabilities (excluding debt).....	30,542,961	19,094,488
Noncurrent liabilities (excluding debt).....	270,375,975	284,192,881
Current debt.....	7,307,320	27,214,452
Noncurrent debt.....	<u>79,827,001</u>	<u>67,299,061</u>
Total liabilities.....	<u>388,053,257</u>	<u>397,800,882</u>
 Deferred inflows of resources.....	<u>14,287,790</u>	<u>11,180,524</u>
 Net position:		
Net investment in capital assets.....	177,336,599	152,744,553
Restricted.....	22,207,195	19,827,830
Unrestricted.....	<u>(187,545,179)</u>	<u>(172,601,644)</u>
 Total net position.....	<u>\$ 11,998,615</u>	<u>\$ (29,261)</u>

Town of Burlington, Massachusetts

Management's Discussion and Analysis

As of June 30, 2025

The governmental activities net position increased by approximately \$12 million during the current year. The underlying reasons for the change were the \$20 million increase in the governmental funds and the capital additions exceeding depreciation by \$11.1 million, reduced by the \$12.6 million increase in debt service, \$2 million increase in the net OPEB liability and related deferred inflows and outflows of resources, and a \$3.6 million reduction in the internal service funds. The \$23.2 million of current year capital additions were financed by \$5.6 million of capital grants, general fund free cash transfers and bond proceeds.

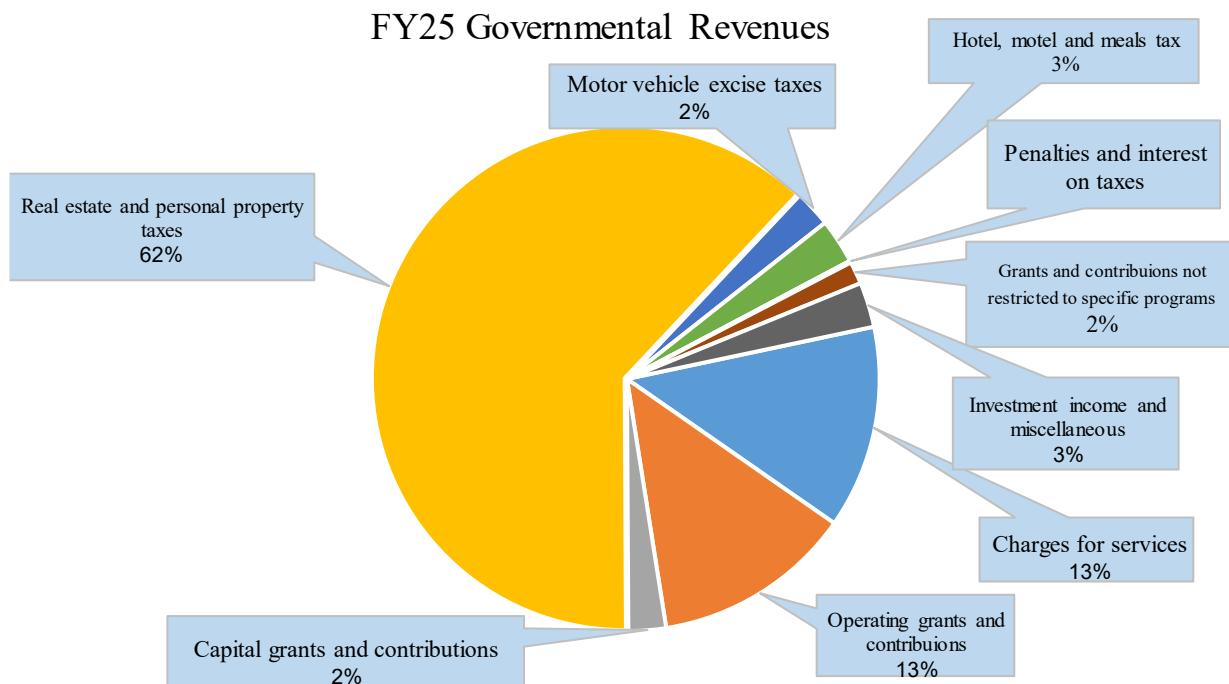
	2025	2024 (As restated)
Program Revenues:		
Charges for services.....	\$ 30,477,678	\$ 31,222,578
Operating grants and contributions.....	30,018,363	36,743,443
Capital grants and contributions.....	5,598,652	3,278,033
General Revenues:		
Real estate and personal property taxes,		
net of tax refunds payable.....	145,280,763	141,642,620
Tax and other liens.....	41,949	508,564
Motor vehicle and other excise taxes.....	5,513,894	5,161,542
Hotel/motel and meals tax.....	6,743,593	6,470,870
Penalties and interest on taxes.....	277,805	400,763
Payments in lieu of taxes.....	523,228	520,000
Grants and contributions not restricted to		
specific programs.....	3,362,833	3,256,706
Unrestricted investment income.....	6,183,701	6,250,892
Total revenues.....	234,022,459	235,456,011
Expenses:		
General government.....	12,818,710	12,516,895
Public safety.....	37,326,576	36,976,316
Education.....	124,664,789	120,022,378
Public works.....	18,255,517	17,231,305
Water and sewer.....	14,255,307	13,019,422
Human services.....	4,063,802	4,027,389
Culture and recreation.....	8,060,586	8,035,987
Interest.....	2,549,296	2,541,772
Total expenses.....	221,994,583	214,371,464
Change in net position.....	12,027,876	21,084,547
Net position, beginning of year, as restated.....	(29,261)	(21,113,808)
Net position, end of year.....	\$ 11,998,615	\$ (29,261)

Town of Burlington, Massachusetts

Management's Discussion and Analysis

As of June 30, 2025

- Charges for services represent about 13% 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 revenues stayed consistent with the prior year as the water and sewer rates were increased, therefore revenue increased, however the building permit revenue decreased from the prior year.
- Operating grants and contributions account for 13% of the governmental activities' resources. Most of these resources apply to education operations. There was a \$6.7 million decrease from the prior year due to funding from the ARPA state and local fiscal recovery funds being spent in the prior year. This grant does not continue to future years.
- Capital grants and contributions account for 2% of the governmental activities' resources. Most of these resources apply to roadway infrastructure and water/sewer improvements. The \$2.3 million increase over the prior year relates to the additional capital grants received from the state as part of the Town's Chapter 90 highway program, and \$3.5 million of loan forgiveness from the Massachusetts Clean Water Trust as part of the Mill Pond water treatment plant PFAS remediation project.



- Property taxes are by far the most significant revenue source for the Town's governmental activities. They comprise 62% of all resources. Real estate and personal property tax collections increased 2.6% from the prior year. In Massachusetts, Proposition 2 ½ allows municipalities to increase tax

Town of Burlington, Massachusetts

Management's Discussion and Analysis

As of June 30, 2025

levies up to 2 1/2 percent of the prior levy limit adjusted for new construction and certain approved debt service. Collections are consistent with the State's levy limit.

- Other taxes and other revenues comprised a total of 10% of the governmental activities resources. These primarily include excise taxes, hotel motel and meals tax, penalties and interest on taxes, and investment earnings. Overall, these revenues were consistent with the prior year.
- Education is the largest governmental activity of the Town comprising 56% of total governmental expenses. Program revenues of \$33.8 million provided direct support to education and \$90.8 million in taxes and other general revenue were needed to cover the remaining 2025 operating expenses.
- Public safety and public works are the second and third largest activities of the Town. Approximately \$29.8 million and \$13 million, respectively, of taxes and other revenue were needed to cover their 2025 operating expenses.

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 \$119.7 million, an increase of \$20.0 million from the prior year. This increase is related to a \$25.8 million increase in the public works capital project fund and an increase in the nonmajor funds of \$8.0 million due to the timing differences of the bond proceeds and transfers in with the related construction expenditures. These increases were reduced by the \$15.3 million decrease in the general fund due to use of unassigned fund balance for capital purposes.

The general fund is the chief operating fund of the Town. The general fund balance decreased by \$15.3 million during the current year. This decrease is due to the total use of \$30.8 million of the general fund's free cash (unassigned fund balance), primarily for capital purposes, to reduce the long-term debt issuances, and some transfers into stabilization reserves. The use of these funds were off set by some positive budgetary results noted below. While the activity of the sewer program, and stabilization reserves, within the general fund both increased \$1.3 million and \$1.2 million, respectively, the reserve for tax refunds payable increased \$2 million for new cases in fiscal year 2025.

At the end of the current year, unassigned fund balance of the general fund totaled \$50.2 million, while total fund balance was \$72.9 million. The \$9.6 million of committed fund balance represents amounts that have been appropriated for specific purposes and includes \$2.3 million in the water stabilization fund. The \$13.2 million of assigned fund balance represents \$4.1 million that have been encumbered at

Town of Burlington, Massachusetts

Management's Discussion and Analysis

As of June 30, 2025

year-end to meet contractual obligations at year-end, and \$9.1 million authorized for the fiscal year 2026 budget. 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 25% of total general fund expenditures, while total fund balance represents 37% of that same amount.

The Town also maintains a general 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 general stabilization fund has a year-end balance of \$11.8 million which represents 6% of general fund expenditures. The funds can be used for general or capital purposes upon Town Meeting approval.

The school capital projects fund is used to account for acquisition or construction of school capital facilities. During the year the fund spent \$4 million, with the majority of the expenditures relating to the Fox Hill Elementary School. The new school, which was approved at the September 2024 town meeting, has a \$100.5 million bond authorization for the design, construction, and furnishing of the new building. The \$2 million note payable relates to the middle school field renovation. During the year \$5.4 million was transferred into the fund for school projects and the ending fund balance was \$1.3 million.

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 \$7.5 million on construction projects, mainly for the MWRA water connection and sewer infrastructure. The fund also reported transfers in of \$11.9 million from the general fund and nonmajor funds, and bond proceeds of \$17.9 million. At the end of the current year, the fund had fund balance of \$15.4 million and a note payable of \$500,000. These projects are being funded by a combination of bonds, local revenues and grants.

General Fund Budgetary Highlights

The original 2025 budget consisted of approximately \$208.3 million in appropriations and other amounts to be raised, which included \$16.4 million in encumbrances and articles that were carried over from the prior year. The final general fund appropriation budget totaled \$227.2 million. The final budget increased by \$18.9 million from the original approved budget which was primarily due to an additional \$16.7 million use in free cash (reserves) for transfers to reserves and operating capital. The total use of free cash for the 2025 budget was \$30.8 million.

General fund revenues came in over budget by \$11.7 million. The majority of this surplus, \$4.5 million, was generated investment income, while \$1.8 million related to hotel/motel and meals tax which has seen a rebound post COVID-19, and \$1.8 million was water charges due to rate increases.

General fund expenditures and encumbrances were lower than final budget by \$4 million (2%), with the majority of the turnback occurring in the employee benefits and the education lines which turned back \$1.3 million and \$709,000, respectively.

Town of Burlington, Massachusetts

Management's Discussion and Analysis

As of June 30, 2025

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, 2025, the Town's investment in capital assets totaled \$243.8 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. In April 2025, the Town issued \$7.9 million of general obligation water bonds for phase II of the MWRA connection. Additionally, the MCWT loan was finalized and therefore reclassified from short-term to long-term debt. The total loan was \$14.1 million prior to forgiveness of \$3.5 million, therefore the Town will be repaying \$10.6 million in long-term debt at 0% interest.

During the current year the Town paid \$4.9 million in principal payments. At the end of the year the Town had long-term debt outstanding of \$81.6 million, excluding unamortized bond premiums, of which \$27.3 million was related to the new DPW facility, \$11.0 million was related to school projects, \$3.3 million was related to road construction, \$12.4 million was related to water and sewer infrastructure, \$7.4 million was related to the fire station remodeling, and the balance of \$9.8 million was related to various other capital projects. Of the total long-term debt, \$70.6 million was classified as general obligation.

At June 30, 2025, the Town had \$2.5 million of short-term bond anticipation notes outstanding. The debt related to water infrastructure and the middle school field renovation.

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

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, 2025

	<u>Governmental Activities</u>
ASSETS	
CURRENT:	
Cash and cash equivalents.....	\$ 124,816,898
Investments.....	22,099,180
Receivables, net of allowance for uncollectibles:	
Real estate and personal property taxes.....	459,352
Tax liens.....	1,232,470
Motor vehicle excise taxes.....	240,538
Water and sewer fees.....	4,493,608
Departmental and other.....	956,409
Intergovernmental.....	612,806
Total current assets.....	<u>154,911,261</u>
NONCURRENT:	
Capital assets, nondepreciable.....	54,583,398
Capital assets, net of accumulated depreciation.....	<u>189,185,480</u>
Total noncurrent assets.....	<u>243,768,878</u>
TOTAL ASSETS.....	<u>398,680,139</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions.....	8,612,949
Deferred outflows related to other postemployment benefits.....	<u>7,046,574</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>15,659,523</u>

See notes to basic financial statements.

Town of Burlington, Massachusetts

Statement of Net Position (continued)

June 30, 2025

	Governmental Activities
LIABILITIES	
CURRENT:	
Warrants payable.....	2,955,324
Accrued payroll.....	7,244,074
Health claims payable.....	2,046,426
Tax refunds payable.....	4,625,000
Accrued interest.....	1,304,216
Other liabilities.....	1,648,921
Compensated absences.....	9,875,000
Workers' compensation.....	844,000
Notes payable.....	2,500,000
Long-term debt.....	<u>4,807,320</u>
Total current liabilities.....	<u>37,850,281</u>
NONCURRENT:	
Compensated absences.....	18,718,000
Net pension liability.....	139,944,825
Net OPEB liability.....	111,713,150
Long-term debt.....	<u>79,827,001</u>
Total noncurrent liabilities.....	<u>350,202,976</u>
TOTAL LIABILITIES	<u>388,053,257</u>
DEFERRED INFLOWS OF RESOURCES	
Taxes paid in advance.....	183,534
Deferred inflows related to pensions.....	2,976,352
Deferred inflows related to other postemployment benefits.....	<u>11,127,904</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>14,287,790</u>
NET POSITION	
Net investment in capital assets.....	177,336,599
Restricted for:	
Permanent funds:	
Expendable.....	562,478
Nonexpendable.....	930,874
Gifts and grants.....	8,960,773
Revolving.....	10,903,487
Other purposes.....	849,583
Unrestricted.....	<u>(187,545,179)</u>
TOTAL NET POSITION	\$ <u>11,998,615</u>

See notes to basic financial statements.

Town of Burlington, Massachusetts

Statement of Activities

Year Ended June 30, 2025

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.....	\$ 12,818,710	\$ 1,921,047	\$ 466,900	\$ -	\$ (10,430,763)	
Public safety.....	37,326,576	6,879,225	639,295	-	(29,808,056)	
Education.....	124,664,789	5,685,250	28,036,214	124,451	(90,818,874)	
Public works.....	18,255,517	622,872	102,005	4,573,226	(12,957,414)	
Water and sewer.....	14,255,307	13,861,632	-	719,238	325,563	
Human services.....	4,063,802	379,946	680,622	181,737	(2,821,497)	
Culture and recreation.....	8,060,586	1,127,706	93,327	-	(6,839,553)	
Interest.....	2,549,296	-	-	-	(2,549,296)	
Total Primary Government.....	\$ 221,994,583	\$ 30,477,678	\$ 30,018,363	\$ 5,598,652	\$ (155,899,890)	

See notes to basic financial statements.

Town of Burlington, Massachusetts

Statement of Activities (continued)

Year Ended June 30, 2025

	<u>Primary Government</u>
	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue from previous page.....	\$ (155,899,890)
<i>General revenues:</i>	
Real estate and personal property taxes, net of tax refunds payable.....	145,280,763
Tax and other liens.....	41,949
Motor vehicle excise taxes.....	5,513,894
Hotel/motel and meals taxes.....	6,743,593
Penalties and interest on taxes.....	277,805
Payments in lieu of taxes.....	523,228
Grants and contributions not restricted to specific programs.....	3,362,833
Unrestricted investment income.....	<u>6,183,701</u>
 Total general revenues.....	 <u>167,927,766</u>
 Change in net position.....	 12,027,876
<i>Net position:</i>	
Beginning of year, as previously presented.....	20,816,739
Restatement - implementation of GASB 101.....	<u>(20,846,000)</u>
 Beginning of year, as restated.....	 <u>(29,261)</u>
 End of year.....	 \$ <u>11,998,615</u>

See notes to basic financial statements.

Town of Burlington, Massachusetts

**Governmental Funds
Balance Sheet**

June 30, 2025

	General	School Capital Projects	Public Works Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents.....	\$ 72,636,417	\$ 4,030,605	\$ 16,443,929	\$ 29,538,691	\$ 122,649,642
Investments.....	13,474,842	-	-	1,191,972	14,666,814
Receivables, net of uncollectibles:					
Real estate and personal property taxes.....	459,352	-	-	-	459,352
Tax liens.....	1,232,470	-	-	-	1,232,470
Motor vehicle excise taxes.....	240,538	-	-	-	240,538
Water and sewer fees.....	4,493,608	-	-	-	4,493,608
Departmental and other.....	477,350	-	-	425,886	903,236
Intergovernmental.....	-	-	-	612,806	612,806
TOTAL ASSETS.....	<u>\$ 93,014,577</u>	<u>\$ 4,030,605</u>	<u>\$ 16,443,929</u>	<u>\$ 31,769,355</u>	<u>\$ 145,258,466</u>
LIABILITIES					
Warrants payable.....	\$ 1,251,131	\$ 748,816	\$ 534,533	\$ 126,848	\$ 2,661,328
Accrued payroll.....	7,137,374	-	-	106,700	7,244,074
Tax refunds payable.....	4,625,000	-	-	-	4,625,000
Other liabilities.....	176,025	-	-	1,071,567	1,247,592
Notes payable.....	-	<u>2,000,000</u>	<u>500,000</u>	-	<u>2,500,000</u>
TOTAL LIABILITIES.....	<u>13,189,530</u>	<u>2,748,816</u>	<u>1,034,533</u>	<u>1,305,115</u>	<u>18,277,994</u>
DEFERRED INFLOWS OF RESOURCES					
Taxes paid in advance.....	183,534	-	-	-	183,534
Unavailable revenue.....	6,693,803	-	-	425,886	7,119,689
TOTAL DEFERRED INFLOWS OF RESOURCES.....	<u>6,877,337</u>	<u>-</u>	<u>-</u>	<u>425,886</u>	<u>7,303,223</u>
FUND BALANCES					
Nonspendable.....	-	-	-	930,874	930,874
Restricted.....	-	1,281,789	15,409,396	28,121,450	44,812,635
Committed.....	9,555,632	-	-	986,030	10,541,662
Assigned.....	13,164,412	-	-	-	13,164,412
Unassigned.....	50,227,666	-	-	-	50,227,666
TOTAL FUND BALANCES.....	<u>72,947,710</u>	<u>1,281,789</u>	<u>15,409,396</u>	<u>30,038,354</u>	<u>119,677,249</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	<u>\$ 93,014,577</u>	<u>\$ 4,030,605</u>	<u>\$ 16,443,929</u>	<u>\$ 31,769,355</u>	<u>\$ 145,258,466</u>

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, 2025

Total governmental fund balances.....	\$ 119,677,249
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	243,768,878
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....	7,119,689
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.....	1,555,267
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....	6,911,044
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(1,304,216)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Long-term debt.....	(84,634,321)
Net pension liability.....	(139,944,825)
Net OPEB liability.....	(111,713,150)
Workers' compensation.....	(844,000)
Compensated absences.....	<u>(28,593,000)</u>
Net effect of reporting long-term liabilities.....	<u>(365,729,296)</u>
Net position of governmental activities.....	\$ <u>11,998,615</u>

See notes to basic financial statements.

Town of Burlington, Massachusetts

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

Year Ended June 30, 2025

	General	School Capital Projects	Public Works Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 145,322,242	\$ -	\$ -	\$ -	\$ 145,322,242
Tax liens.....	166,526	-	-	-	166,526
Motor vehicle excise taxes.....	5,454,292	-	-	-	5,454,292
Hotel/motel and meals taxes.....	6,743,593	-	-	-	6,743,593
Water and sewer charges.....	13,553,315	-	-	-	13,553,315
Ambulance.....	847,147	-	-	-	847,147
Penalties and interest on taxes.....	277,805	-	-	-	277,805
Fees and rentals.....	347,583	-	-	-	347,583
Payments in lieu of taxes.....	523,228	-	-	-	523,228
Licenses and permits.....	2,410,106	-	-	-	2,410,106
Intergovernmental - state aid.....	13,466,349	-	-	-	13,466,349
Intergovernmental - Teachers Retirement.....	10,465,067	-	-	-	10,465,067
Intergovernmental.....	-	124,451	3,522,591	11,739,508	15,386,550
Departmental and other.....	1,288,889	-	-	10,971,471	12,260,360
Contributions and donations.....	-	-	-	193,924	193,924
Investment income.....	5,501,377	-	-	129,943	5,631,320
Miscellaneous.....	232,714	-	-	350,457	583,171
TOTAL REVENUES.....	206,600,233	124,451	3,522,591	23,385,303	233,632,578
EXPENDITURES:					
Current:					
General government.....	7,465,462	-	-	1,371,494	8,836,956
Public safety.....	22,409,781	-	-	5,879,033	28,288,814
Education.....	84,741,663	4,013,131	-	10,568,771	99,323,565
Public works.....	11,274,974	-	7,450,383	1,819,765	20,545,122
Water and sewer.....	12,841,837	-	-	937,534	13,779,371
Human services.....	2,110,291	-	-	658,770	2,769,061
Culture and recreation.....	4,672,603	-	-	1,332,056	6,004,659
Pension benefits.....	14,291,966	-	-	-	14,291,966
Pension benefits - Teachers Retirement.....	10,465,067	-	-	-	10,465,067
Employee benefits.....	18,434,266	-	-	-	18,434,266
State and county charges.....	1,138,544	-	-	-	1,138,544
Debt service:					
Principal.....	4,837,819	-	-	65,000	4,902,819
Interest.....	2,717,850	-	-	14,625	2,732,475
TOTAL EXPENDITURES.....	197,402,123	4,013,131	7,450,383	22,647,048	231,512,685
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	9,198,110	(3,888,680)	(3,927,792)	738,255	2,119,893
OTHER FINANCING SOURCES (USES):					
Issuance of long-term debt.....	-	-	17,863,649	-	17,863,649
Premium from issuance of debt.....	-	-	35,000	-	35,000
Transfers in.....	459,853	5,370,477	11,853,195	7,884,093	25,567,618
Transfers out.....	(24,920,477)	-	-	(647,141)	(25,567,618)
TOTAL OTHER FINANCING SOURCES (USES).....	(24,460,624)	5,370,477	29,751,844	7,236,952	17,898,649
NET CHANGE IN FUND BALANCES.....	(15,262,514)	1,481,797	25,824,052	7,975,207	20,018,542
FUND BALANCES, 6/30/2024, AS PREVIOUSLY REPORTED.....	88,210,224	-	(10,414,656)	21,863,139	99,658,707
ADJUSTMENT - CHANGE FROM NONMAJOR TO MAJOR FUND.....	-	(200,008)	-	200,008	-
FUND BALANCES, 6/30/2024, AS ADJUSTED.....	88,210,224	(200,008)	(10,414,656)	22,063,147	99,658,707
FUND BALANCES AT END OF YEAR.....	\$ 72,947,710	\$ 1,281,789	\$ 15,409,396	\$ 30,038,354	\$ 119,677,249

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, 2025

Net change in fund balances - total governmental funds.....	\$ 20,018,542
 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.....	23,199,169
Capital asset deletions.....	(41,333)
Depreciation expense.....	<u>(12,070,610)</u>
Net effect of reporting capital assets.....	11,087,226
 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.....	
	(162,500)
 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.	
Issuance of long-term debt.....	(17,863,649)
Premium from issuance of debt.....	(35,000)
Net amortization of premium from issuance of debt.....	434,938
Debt service principal payments.....	<u>4,902,819</u>
Net effect of reporting long-term debt.....	(12,560,892)
 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.....	(1,143,000)
Net change in accrued interest on long-term debt.....	(251,759)
Net change in deferred outflow/(inflow) of resources related to pensions.....	(3,989,689)
Net change in net pension liability.....	4,969,252
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits.....	(6,138,379)
Net change in net OPEB liability.....	4,114,654
Net change in workers' compensation liability.....	<u>(301,000)</u>
Net effect of recording long-term liabilities.....	(2,739,921)
 The net activity of internal service funds is reported with Governmental Activities.....	
Change in net position of governmental activities.....	<u>(3,614,579)</u>
	\$ 12,027,876

See notes to basic financial statements.

Town of Burlington, Massachusetts

Proprietary Funds
Statement of Net Position

June 30, 2025

	Governmental Activities - Internal Service Fund
ASSETS	
CURRENT:	
Cash and cash equivalents.....	\$ 2,167,256
Investments.....	7,432,366
Receivables, net of allowance for uncollectibles:	
Departmental and other.....	<u>53,173</u>
TOTAL ASSETS.....	<u>9,652,795</u>
LIABILITIES	
CURRENT:	
Warrants payable.....	695,325
Health claims payable.....	<u>2,046,426</u>
TOTAL LIABILITIES.....	<u>2,741,751</u>
NET POSITION	
Unrestricted.....	<u>\$ 6,911,044</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, 2025

	Governmental Activities - Internal Service Fund
<u>OPERATING REVENUES:</u>	
Employee contributions.....	\$ 6,321,001
Employer contributions.....	<u>11,521,683</u>
TOTAL OPERATING REVENUES	<u>17,842,684</u>
<u>OPERATING EXPENSES:</u>	
Employee benefits.....	<u>22,009,644</u>
OPERATING (LOSS).....	(4,166,960)
<u>NONOPERATING REVENUES (EXPENSES):</u>	
Investment income.....	<u>552,381</u>
CHANGE IN NET POSITION.....	(3,614,579)
NET POSITION AT BEGINNING OF YEAR.....	<u>10,525,623</u>
NET POSITION AT END OF YEAR.....	\$ <u>6,911,044</u>

See notes to basic financial statements.

Town of Burlington, Massachusetts

**Proprietary Funds
Statement of Cash Flows**

Year Ended June 30, 2025

	Governmental Activities - Internal Service Fund
CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:	
Receipts from interfund services provided.....	\$ 17,842,684
Payments for interfund services used.....	<u>(20,650,497)</u>
NET CASH FROM (USED FOR) OPERATING ACTIVITIES.....	<u>(2,807,813)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investments.....	487,859
Investment income.....	<u>552,381</u>
NET CASH FROM INVESTING ACTIVITIES.....	<u>1,040,240</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(1,767,573)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	<u>3,934,829</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	<u>\$ 2,167,256</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:	
Operating income (loss).....	\$ <u>(4,166,960)</u>
Adjustments to reconcile operating income to net cash from operating activities:	
Changes in assets and liabilities:	
Departmental and other.....	764,193
Warrants payable.....	333,024
Health claims payable.....	<u>261,930</u>
Total adjustments.....	<u>1,359,147</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>\$ (2,807,813)</u>

See notes to basic financial statements.

Town of Burlington, Massachusetts

Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2025

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Fund
ASSETS		
Cash and cash equivalents.....	\$ -	\$ 27,099
Investments:		
Investments in Pension Reserve Investment Trust.....	<u>20,782,793</u>	<u>-</u>
TOTAL ASSETS.....	<u>20,782,793</u>	<u>27,099</u>
LIABILITIES		
Warrants payable.....	<u>-</u>	<u>285</u>
NET POSITION		
Restricted for other postemployment benefits.....	<u>20,782,793</u>	<u>-</u>
Held in trust for other purposes.....	<u>-</u>	<u>26,814</u>
TOTAL NET POSITION.....	<u>\$ 20,782,793</u>	<u>\$ 26,814</u>

Town of Burlington, Massachusetts

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2025

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Fund
ADDITIONS:		
Contributions:		
Employer contributions.....	\$ 1,113,144	\$ -
Employer contributions for other postemployment benefit payments.....	6,460,064	-
Private donations.....	-	9,824
Total contributions.....	<u>7,573,208</u>	<u>9,824</u>
Net investment income:		
Investment income.....	1,903,569	800
Less: investment expense.....	<u>(93,914)</u>	<u>-</u>
Net investment income.....	<u>1,809,655</u>	<u>800</u>
TOTAL ADDITIONS.....	<u>9,382,863</u>	<u>10,624</u>
DEDUCTIONS:		
Other postemployment benefit payments.....	6,460,064	-
Educational scholarships.....	<u>-</u>	<u>12,518</u>
TOTAL DEDUCTIONS.....	<u>6,460,064</u>	<u>12,518</u>
NET INCREASE (DECREASE) IN NET POSITION.....	<u>2,922,799</u>	<u>(1,894)</u>
NET POSITION AT BEGINNING OF YEAR.....	<u>17,859,994</u>	<u>28,708</u>
NET POSITION AT END OF YEAR.....	<u>\$ 20,782,793</u>	<u>\$ 26,814</u>

See notes to basic financial statements.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

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 2025 assessment was \$2.6 million. 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, 2025

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, 2025

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 *school capital projects fund* is used to account for and report financial resources for the acquisition or construction of school capital facilities.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

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.

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

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

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.

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

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

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.

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.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

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

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, 2025

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. Management regularly reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. No impairments were noted in fiscal year 2025.

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.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

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 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, 2025

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.

“Revolving” represents amounts held within revolving funds for specific purposes.

“Other purposes” represents amounts held for other Town-wide purposes.

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.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

“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.

“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

Proceeds received in governmental funds regarding 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

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

M. Postemployment Benefits

For purposes of measuring the net pension liability, Net OPEB liability, deferred outflows of resources and deferred inflows of resources related to postemployment benefits, and postemployment expense, information about the fiduciary net position of the Middlesex County Retirement System (MCRS), the OPEB trust fund, and the Massachusetts Teachers Retirement System (MTRS). Additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the Systems/Trust. 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, 2025

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.

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 1.99 to 14.42 years. There is no credit quality rating for the fund.

MMDT maintains a cash portfolio with a weighted average maturity of 47 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 \$111.7 million and the bank balance totaled \$113.7 million. Of the bank balance, \$1.3 million was covered by Federal Depository Insurance, \$2.8 million was covered by Depositors Insurance Fund, \$4.3 million was collateralized, \$99.9 million was covered by IntraFi cash service agreements and \$5.5 million was exposed to custodial credit risk because it was uninsured and uncollateralized. IntraFi cash service agreements allow the Town to expand their FDIC insurance coverage.

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, 2025

Investments

As of June 30, 2025, the Town had the following investments:

<u>Investment Type</u>	<u>Fair value</u>	<u>Maturities</u>			
		<u>Under 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>Over 10 Years</u>
<u>Debt securities:</u>					
U.S. treasury notes.....	\$ 5,916,090	\$ 1,324,444	\$ 3,773,597	\$ 818,049	\$ -
Government sponsored enterprises.....	1,042,020	172,261	572,416	51,021	246,322
Corporate bonds.....	<u>3,407,933</u>	<u>64,287</u>	<u>2,959,967</u>	<u>383,679</u>	<u>-</u>
Total debt securities.....	10,366,043	\$ <u>1,560,992</u>	\$ <u>7,305,980</u>	\$ <u>1,252,749</u>	\$ <u>246,322</u>
<u>Other investments:</u>					
Equity securities.....	8,226,983				
Fixed income securities.....	3,506,154				
Money market mutual funds.....	1,394,323				
Pension Reserve Investment Trust (PRIT)...	20,782,793				
MMDT - Cash portfolio.....	<u>11,739,216</u>				
Total investments.....	\$ <u>56,015,512</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 securities not held directly by the Town, will be held in the Town's name and tax identification number by a third-party custodian approved by the Treasurer and evidenced by safekeeping receipts showing individual CUSIP numbers for each security. The investments in PRIT and shares of MMDT are not subject to custodial credit risk.

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, 2025

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, 2025, the Town's investments were rated as follows:

<u>Quality Rating</u>	Government Sponsored Enterprises	Corporate Bonds
AA+.....	\$ 1,042,020	-
AA-.....	-	497,942
A+.....	-	383,679
A.....	-	418,042
A-.....	-	866,038
BBB+.....	-	945,097
BBB.....	<u>-</u>	<u>297,135</u>
 Total.....	 <u>\$ 1,042,020</u>	 <u>\$ 3,407,933</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, 2025, 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, 2025

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, 2025:

Investment Type	June 30, 2025	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:				
Debt securities:				
U.S. treasury notes.....	\$ 5,916,090	\$ -	\$ 5,916,090	\$ -
Government sponsored enterprises.....	1,042,020	-	1,042,020	-
Corporate bonds.....	<u>3,407,933</u>	-	<u>3,407,933</u>	-
Total debt securities.....	<u>10,366,043</u>	-	<u>10,366,043</u>	-
Other investments:				
Equity securities.....	8,226,983	8,226,983	-	-
Fixed income securities.....	3,506,154	3,506,154	-	-
Money market mutual funds.....	<u>1,394,323</u>	<u>1,394,323</u>	-	-
Total other investments.....	<u>13,127,460</u>	<u>13,127,460</u>	-	-
Total investments measured at fair value.....	23,493,503	\$ <u>13,127,460</u>	\$ <u>10,366,043</u>	\$ -
Investments measured at amortized cost:				
MMDT - Cash portfolio.....	<u>11,739,216</u>			
Investments measured at net asset value:				
Pension Reserve Investment Trust (PRIT)..	<u>20,782,793</u>			
Total investments.....	\$ <u>56,015,512</u>			

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

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, government sponsored enterprises, and 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 (NAV) method as a practical expedient. The practical expedient is not used when the investment would be expected to sell at a value different than the NAV. There were no unfunded commitments at year end. The redemption frequency is monthly, and the notice period is 30 days. 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, 2025, 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:

	Allowance		
	Gross Amount	for Uncollectibles	Net Amount
Receivables:			
Real estate and personal property taxes....	\$ 859,352	\$ (400,000)	\$ 459,352
Tax liens.....	1,232,470	-	1,232,470
Motor vehicle excise taxes.....	688,538	(448,000)	240,538
Water and sewer fees.....	4,493,608	-	4,493,608
Departmental and other.....	1,422,709	(466,300)	956,409
Intergovernmental grants.....	612,806	-	612,806
 Total.....	 \$ 9,309,483	 \$ (1,314,300)	 \$ 7,995,183

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

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.....	\$ 249,837	\$ -	\$ 249,837
Tax liens.....	1,232,470	-	1,232,470
Motor vehicle excise taxes.....	240,538	-	240,538
Water and sewer fees.....	4,493,608	-	4,493,608
Departmental and other.....	<u>477,350</u>	<u>425,886</u>	<u>903,236</u>
Total.....	<u>\$ 6,693,803</u>	<u>\$ 425,886</u>	<u>\$ 7,119,689</u>

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, 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>29,632,536</u>	<u>19,673,610</u>	<u>(13,318,658)</u>	<u>35,987,488</u>
Total capital assets not being depreciated....	<u>48,228,446</u>	<u>19,673,610</u>	<u>(13,318,658)</u>	<u>54,583,398</u>
<u>Capital assets being depreciated:</u>				
Land improvements.....	9,671,113	-	-	9,671,113
Buildings.....	93,766,400	-	-	93,766,400
Buildings and improvements.....	89,439,310	2,690,572	-	92,129,882
Machinery and equipment.....	16,843,019	5,463,697	(497,223)	21,809,493
Vehicles.....	14,874,534	1,421,290	(155,398)	16,140,426
Infrastructure.....	<u>165,229,898</u>	<u>7,268,658</u>	<u>-</u>	<u>172,498,556</u>
Total capital assets being depreciated.....	<u>389,824,274</u>	<u>16,844,217</u>	<u>(652,621)</u>	<u>406,015,870</u>
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(5,390,039)	(307,811)	-	(5,697,850)
Buildings.....	(48,422,653)	(1,691,713)	-	(50,114,366)
Buildings and improvements.....	(30,972,751)	(3,626,818)	-	(34,599,569)
Machinery and equipment.....	(13,356,891)	(1,746,475)	455,890	(14,647,476)
Vehicles.....	(10,458,210)	(963,063)	155,398	(11,265,875)
Infrastructure.....	<u>(96,770,524)</u>	<u>(3,734,730)</u>	<u>-</u>	<u>(100,505,254)</u>
Total accumulated depreciation.....	<u>(205,371,068)</u>	<u>(12,070,610)</u>	<u>611,288</u>	<u>(216,830,390)</u>
Total capital assets being depreciated, net.....	<u>184,453,206</u>	<u>4,773,607</u>	<u>(41,333)</u>	<u>189,185,480</u>
Total governmental activities capital assets, net....	<u>\$ 232,681,652</u>	<u>\$ 24,447,217</u>	<u>\$ (13,359,991)</u>	<u>\$ 243,768,878</u>

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

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

Governmental Activities:

General government.....	\$ 857,499
Public safety.....	1,358,563
Education.....	2,603,517
Public works.....	6,577,225
Human services.....	8,935
Culture and recreation.....	<u>664,871</u>
 Total depreciation expense - governmental activities...	<u>\$ 12,070,610</u>

NOTE 5 – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2025, are summarized as follows:

Transfers Out:	Transfers In:				
	General fund	School Capital Projects	Public Works Capital Projects	Nonmajor governmental funds	Total
General fund.....	\$ -	\$ 5,370,477	\$ 11,700,000	\$ 7,850,000	\$ 24,920,477 (1)
Nonmajor governmental funds....	<u>459,853</u>	<u>-</u>	<u>153,195</u>	<u>34,093</u>	<u>647,141</u> (2)
Total.....	<u>\$ 459,853</u>	<u>\$ 5,370,477</u>	<u>\$ 11,853,195</u>	<u>\$ 7,884,093</u>	<u>\$ 25,567,618</u>

(1) Represents budgeted transfers from the general fund to the school and public works capital projects funds and various nonmajor funds primarily for capital purposes 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.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

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, 2025, were as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2024	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2025
Governmental Funds:							
BAN	MCWT interim financing.....	0.00%	06/30/24	\$ 13,521,237	\$ -	\$ (13,521,237)	\$ -
BAN	Municipal purpose.....	4.75%	04/24/25	8,918,847	-	(8,918,847)	-
BAN	Water main improvements.....	4.00%	04/23/26	-	500,000	-	500,000
BAN	Middle school field renovation..	4.00%	04/23/26	-	2,000,000	-	2,000,000
Total Governmental Funds.....				\$ 22,440,084	\$ 2,500,000	\$ (22,440,084)	\$ 2,500,000

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

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, 2025, 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, 2024	Issued	Redeemed	Outstanding at June 30, 2025
Municipal Purpose Bonds of 2013.....	2042	\$ 13,976,000	2.00 - 4.00	\$ 10,040,000	-	\$ 430,000	\$ 9,610,000
Municipal Purpose Bonds of 2016.....	2036	11,270,000	2.00 - 5.00	5,050,000	-	765,000	4,285,000
Municipal Purpose Bonds of 2018.....	2047	12,860,000	3.00 - 5.00	10,950,000	-	365,000	10,585,000
Municipal Purpose Bonds of 2020.....	2050	15,644,975	2.00 - 5.00	14,202,475	-	360,000	13,842,475
Municipal Purpose Refunding of 2020.....	2027	5,127,525	4.00 - 5.00	3,462,525	-	540,000	2,922,525
Municipal Purpose Bonds of 2021.....	2051	14,848,000	2.00 - 5.00	13,790,000	-	325,000	13,465,000
Municipal Purpose Refunding of 2021.....	2036	5,737,000	2.00 - 5.00	4,945,000	-	375,000	4,570,000
Municipal Purpose Bonds of 2022.....	2042	4,220,000	3.37 - 5.00	3,730,000	-	250,000	3,480,000
Municipal Purpose Bonds of 2025.....	2050	7,865,000	4.00 - 5.00	<u>-</u>	<u>7,865,000</u>	<u>-</u>	<u>7,865,000</u>
Subtotal Governmental General Obligation Bonds Payable.....				<u>66,170,000</u>	<u>7,865,000</u>	<u>3,410,000</u>	<u>70,625,000</u>
Massachusetts Clean Water Trust 2007.....	2027	7,797,482	2.00	1,379,722	-	450,740	928,982
Massachusetts Clean Water Trust 2008.....	2028	300,000	2.00	70,067	-	16,995	53,072
Massachusetts Water Resource Authority 2017...	2027	224,750	0.00	67,425	-	22,475	44,950
Massachusetts Water Resource Authority 2019...	2029	377,500	0.00	138,750	-	27,750	111,000
Massachusetts Water Resource Authority 2021...	2031	277,500	0.00	194,250	-	27,750	166,500
Massachusetts Water Resource Authority 2023...	2033	300,000	0.00	270,000	-	30,000	240,000
Massachusetts Clean Water Trust 2024.....	2043	14,090,350	0.00	<u>-</u>	<u>9,998,649</u>	<u>528,389</u>	<u>9,470,260</u>
Subtotal Governmental Direct Borrowings Payable.....				<u>2,120,214</u>	<u>9,998,649</u>	<u>1,104,099</u>	<u>11,014,764</u>
Capital Financing 2021.....	2025	1,995,134	2.65	<u>388,720</u>	<u>-</u>	<u>388,720</u>	<u>-</u>
Long-Term Debt Payable.....				<u>68,678,934</u>	<u>17,863,649</u>	<u>4,902,819</u>	<u>81,639,764</u>
Add: Unamortized Premium on Bonds.....				<u>3,394,495</u>	<u>35,000</u>	<u>434,938</u>	<u>2,994,557</u>
Total Long-Term Debt Payable, net.....				<u>\$ 72,073,429</u>	<u>\$ 17,898,649</u>	<u>\$ 5,337,757</u>	<u>\$ 84,634,321</u>

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

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

Year	General Obligation Bonds:			Direct Borrowings Payable:		
	Principal	Interest	Total	Principal	Interest	Total
2026.....	\$ 3,340,000	\$ 2,372,184	\$ 5,712,184	\$ 1,113,548	\$ 14,869	\$ 1,128,417
2027.....	3,370,000	2,223,377	5,593,377	1,123,187	5,229	1,128,416
2028.....	3,320,000	2,065,590	5,385,590	631,934	180	632,114
2029.....	3,400,000	1,913,715	5,313,715	613,888	-	613,888
2030.....	3,410,000	1,765,140	5,175,140	586,138	-	586,138
2031.....	3,235,000	1,622,815	4,857,815	586,138	-	586,138
2032.....	3,200,000	1,495,525	4,695,525	558,388	-	558,388
2033.....	3,235,000	1,382,832	4,617,832	558,388	-	558,388
2034.....	3,270,000	1,278,235	4,548,235	528,388	-	528,388
2035.....	3,330,000	1,181,413	4,511,413	528,388	-	528,388
2036.....	3,165,000	1,084,024	4,249,024	528,388	-	528,388
2037.....	2,640,000	996,498	3,636,498	528,388	-	528,388
2038.....	2,715,000	920,400	3,635,400	528,388	-	528,388
2039.....	2,790,000	840,945	3,630,945	528,388	-	528,388
2040.....	2,870,000	758,229	3,628,229	528,388	-	528,388
2041.....	2,950,000	671,878	3,621,878	528,388	-	528,388
2042.....	2,700,000	600,866	3,300,866	528,388	-	528,388
2043.....	2,125,000	510,938	2,635,938	487,663	-	487,663
2044.....	2,180,000	447,737	2,627,737	-	-	-
2045.....	2,245,000	382,863	2,627,863	-	-	-
2046.....	2,315,000	315,031	2,630,031	-	-	-
2047.....	2,390,000	254,501	2,644,501	-	-	-
2048.....	2,365,000	164,850	2,529,850	-	-	-
2049.....	1,670,000	113,082	1,783,082	-	-	-
2050.....	1,720,000	65,314	1,785,314	-	-	-
2051.....	675,000	15,188	690,188	-	-	-
Total.....	\$ 70,625,000	\$ 25,443,170	\$ 96,068,170	\$ 11,014,764	\$ 20,278	\$ 11,035,042

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.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

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, 2025, 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.....	1,300,000
Mill pond PFAS filter addition.....	909,650
New police station project.....	46,225,000
Marshall Simonds middle school project.....	2,770,000
Fox Hill elementary project.....	100,484,141
Sewer improvements (MWRA).....	<u>1,432,000</u>
 Total.....	 <u>\$ 157,945,791</u>

Changes in Long-term Liabilities

During the year ended June 30, 2025, the following changes occurred in long-term liabilities:

	(as restated)*	Long-term 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.....	\$ 66,170,000	\$ 7,865,000	\$ (3,410,000)	\$ -	\$ -	\$ 70,625,000	\$ 3,340,000	
Long-term direct borrowing payable..	2,120,214	9,998,649	(1,104,099)	-	-	11,014,764	1,113,548	
Capital financing payable.....	388,720	-	(388,720)	-	-	-	-	
Add: Unamortized premiums.....	3,394,495	35,000	(434,938)	-	-	2,994,557	353,772	
Total long-term debt payable.....	72,073,429	17,898,649	(5,337,757)	-	-	84,634,321	4,807,320	
Compensated absences.....	27,450,000	-	-	5,142,000	(3,999,000)	28,593,000	9,875,000	
Workers' compensation.....	543,000	-	-	844,000	(543,000)	844,000	844,000	
Net pension liability.....	144,914,077	-	-	9,322,714	(14,291,966)	139,944,825	-	
Net other postemployment benefits...	115,827,804	-	-	2,969,544	(7,084,198)	111,713,150	-	
 Total governmental activity								
long-term liabilities, as restated.....	<u>\$ 360,808,310</u>	<u>\$ 17,898,649</u>	<u>\$ (5,337,757)</u>	<u>\$ 18,278,258</u>	<u>\$ (25,918,164)</u>	<u>\$ 365,729,296</u>	<u>\$ 15,526,320</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.

*For fiscal year 2025, GASB 101 was implemented by the Town. The implementation of GASB 101 resulted in a restatement to the beginning balance of the compensated absences liability. See Note 14 for additional information.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

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.

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 \$11.8 million and is reported as unassigned fund balance within the general fund. The balance of the water stabilization fund was \$2.3 million and reported as committed fund balance.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

As of June 30, 2025, the governmental fund balances were as follows:

	General	School Capital Projects	Public Works Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:					
Nonspendable:					
Permanent fund principal.....	\$ -	\$ -	\$ -	\$ 930,874	\$ 930,874
Restricted for:					
School capital projects.....	- 1,281,789	- -	- 15,409,396	- 6,317,484	- 1,281,789
Public works capital projects.....	- -	- -	- 4,160,117	- 490,251	- 15,409,396
Town revolving fund.....	- -	- -	- 41,088	- 41,088	- 6,317,484
School revolving fund.....	- -	- -	- 8,401,956	- 27,478	- 4,160,117
Town gifts.....	- -	- -	- 849,583	- 9	- 490,251
School gifts.....	- -	- -	- 7,271,015	- 9	- 41,088
State & local grants.....	- -	- -	- 8,401,956	- 849,583	- 8,401,956
Federal grants.....	- -	- -	- 27,478	- 27,478	- 27,478
Special purposes fund.....	- -	- -	- 7,271,015	- 9	- 7,271,015
Town capital projects.....	- -	- -	- 562,469	- 9	- 562,469
Town libraries.....	- -	- -	- 562,469	- 9	- 562,469
Cemetery perpetual care.....	- -	- -	- -	- -	- -
Committed to:					
Water stabilization.....	2,289,999	- -	- -	- -	2,289,999
Articles and continuing appropriations:					
Town administration/select board.....	308,419	- -	- -	- -	308,419
Assessors.....	195,171	- -	- -	- -	195,171
Management information systems.....	33,200	- -	- -	- -	33,200
Planning board.....	99,124	- -	- -	- -	99,124
Police department.....	59,004	- -	- -	- -	59,004
Fire department.....	1,130,797	- -	- -	- -	1,130,797
Education.....	3,153,741	- -	- -	- -	3,153,741
Public works.....	2,205,794	- -	- -	- -	2,205,794
Recreation.....	80,383	- -	- -	- -	80,383
School activity programs.....	- -	- -	- -	986,030	986,030
Assigned to:					
Town administration/select board.....	37,198	- -	- -	- -	37,198
Assessors.....	15,144	- -	- -	- -	15,144
Management information systems.....	49,649	- -	- -	- -	49,649
Negotiated settlements.....	78,672	- -	- -	- -	78,672
General government.....	17,255	- -	- -	- -	17,255
Police department.....	107,685	- -	- -	- -	107,685
Fire department.....	155,535	- -	- -	- -	155,535
Public safety.....	13,768	- -	- -	- -	13,768
Education.....	2,186,923	- -	- -	- -	2,186,923
Public works.....	532,034	- -	- -	- -	532,034
Rubbish and garbage.....	595,000	- -	- -	- -	595,000
Street light.....	111,438	- -	- -	- -	111,438
Human services.....	3,646	- -	- -	- -	3,646
Library.....	279	- -	- -	- -	279
Recreation.....	21,264	- -	- -	- -	21,264
Historical commission.....	3,750	- -	- -	- -	3,750
Employee benefits.....	182,988	- -	- -	- -	182,988
Fiscal year 2026 capital budget.....	9,052,184	- -	- -	- -	9,052,184
Unassigned.....	50,227,666	- -	- -	- -	50,227,666
Total Fund Balances.....	\$ 72,947,710	\$ 1,281,789	\$ 15,409,396	\$ 30,038,354	\$ 119,677,249

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

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, 2024. The Town’s portion of the collective pension expense, contributed by the Commonwealth, of \$10.5 million 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 \$126.8 million 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, 2025

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, 2025, was \$14.3 million and 33.24% 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, 2025, the Town reported a liability of \$139.9 million for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, 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, 2024, the Town's proportion was 8.60%, which was an increase of 0.03% from the last measurement date.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

Pension Expense

For the year ended June 30, 2025, the Town recognized a pension expense of \$13.3 million. At June 30, 2025, 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.....	\$ 3,093,222	\$ -	\$ 3,093,222
Difference between projected and actual earnings, net.....	4,361,843	-	4,361,843
Changes in assumptions.....	467,257	-	467,257
Changes in proportion and proportionate share of contributions...	<u>690,627</u>	<u>(2,976,352)</u>	<u>(2,285,725)</u>
Total deferred outflows/(inflows) of resources.....	<u>\$ 8,612,949</u>	<u>\$ (2,976,352)</u>	<u>\$ 5,636,597</u>

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:

2026.....	\$ 1,961,885
2027.....	4,857,285
2028.....	(538,101)
2029.....	<u>(644,472)</u>
Total.....	<u>\$ 5,636,597</u>

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

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, 2024.

Valuation date.....	January 1, 2024
Actuarial cost method.....	Entry Age Normal Cost Method.
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.....	3.00% of the first \$16,000.
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.

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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

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, 2024, 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.....	23.50%	5.82%
International developed markets equity.....	9.00%	5.91%
International emerging markets equity.....	3.50%	7.06%
Core fixed income.....	15.00%	1.81%
High-yield fixed income.....	9.00%	3.34%
Real estate.....	10.00%	3.34%
Timber.....	4.00%	3.82%
Hedge funds, GTAA, risk parity.....	10.00%	2.77%
Private equity.....	<u>16.00%</u>	9.20%
 Total.....	 <u>100.00%</u>	

Rate of Return

For the year ended December 31, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 9.07%. 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, 2024 and December 31, 2023. 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, 2025

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>\$ 177,490,983</u>	<u>\$ 139,944,825</u>	<u>\$ 108,364,011</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: None.

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 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.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

	Current Year			
Balance at Beginning of Year	Claims and Changes in Estimate	Claims Payments	Balance at Year-End	Currently Due
2024..... \$ 1,630,036	\$ 16,597,231	\$ (16,442,771)	\$ 1,784,496	
2025..... 1,784,496	20,927,586	(20,665,656)		2,046,426

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, 2025, the amount of the liability for workers' compensation claims totaled \$844,000. 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	
2024..... \$ 356,000	\$ 551,000	\$ (364,000)	\$ 543,000	\$ 543,000	\$ 543,000
2025..... 543,000	562,000	(261,000)	844,000		844,000

Except for the internal service fund, all other claims and judgment 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, 2025

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, 2025, the Town contributed \$7.6 million 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 2025, the Town pre-funded future OPEB liabilities totaling \$1.1 million 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, 2025, the net position of the OPEB trust fund totaled \$20.8 million.

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, 2024:

Active members.....	645
Retired members or beneficiaries currently receiving benefits....	<u>907</u>
Total.....	<u>1,552</u>

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

Components of OPEB Liability

The following table represents the components of the Plan's OPEB liability as of June 30, 2025:

Total OPEB liability.....	\$ 132,495,943
Less: OPEB plan's fiduciary net position.....	<u>(20,782,793)</u>
Net OPEB liability.....	<u>\$ 111,713,150</u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.	15.69%

Significant Actuarial Methods and Assumptions

The total OPEB liability in the December 31, 2024 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, 2025.

Valuation date.....	December 31, 2024
Actuarial cost method.....	Entry age normal - level percentage of payroll.
Amortization method.....	Payments increase 3.25% per year
Remaining amortization period.....	21 years from December 31, 2024
Asset valuation method.....	Fair value
Discount rate.....	7.00%
Inflation rate.....	3.25%
Salary increases.....	Groups 1-2: 6.00% decreasing to 4.00% based on service Teachers: 7.50% decreasing to 4.00% based on service Group 4: 7.00% decreasing to 4.50% based on service

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

Health care trend rates.....	Non-Medicare: 8.00% graded by 0.25% for 14 years to an ultimate level of 4.50% Medicare: 7.00% graded by 0.25% for 10 years to an ultimate level of 4.50% 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. Teachers: Pub-2010 Teacher Employee Mortality Table (headcount weighted) projected generationally with Scale MP-2021.
	Healthy Retiree: Non-Teachers: RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally using Scale MP-2021.
	Teachers: Pub-2010 Teacher Retiree Mortality Table (headcount weighted) projected generationally with 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.
	Teachers: Pub-2010 Teacher Retiree Mortality Table (headcount weighted) projected generationally with Scale MP-2021.

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 9.59%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

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.

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, 2025 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.....	23.50%	5.82%
International developed markets equity...	9.00%	5.91%
International emerging markets equity....	3.50%	7.06%
Core fixed income.....	15.00%	1.81%
High-yield fixed income.....	9.00%	3.34%
Real estate.....	10.00%	3.34%
Timber.....	4.00%	3.82%
Hedge fund, GTAA, risk parity.....	10.00%	2.77%
Private equity.....	<u>16.00%</u>	<u>9.20%</u>
 Total.....	 <u>100.00%</u>	

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2025 and June 30, 2024. 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.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

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.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB liability.....	\$ 127,997,580	\$ 111,713,150	\$ 98,137,722

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.....	\$ 96,392,433	\$ 111,713,150	\$ 130,153,085

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

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, 2024.....	\$ 133,687,798	\$ 17,859,994	\$ 115,827,804
Changes for the year:			
Service cost.....	3,137,281	-	3,137,281
Interest.....	9,355,477	-	9,355,477
Differences between expected and actual experience.....	(3,736,080)	-	(3,736,080)
Changes of assumptions.....	(3,488,469)	-	(3,488,469)
Contributions - employer.....	-	7,573,208	(7,573,208)
Net investment income.....	-	1,809,655	(1,809,655)
Benefit payments.....	<u>(6,460,064)</u>	<u>(6,460,064)</u>	-
Net change.....	<u>(1,191,855)</u>	<u>2,922,799</u>	<u>(4,114,654)</u>
Balance at June 30, 2025.....	<u>\$ 132,495,943</u>	<u>\$ 20,782,793</u>	<u>\$ 111,713,150</u>

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

For the year ended June 30, 2025, the Town recognized OPEB expense of \$9.6 million and 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.....	\$ 1,110,618	\$ (3,113,400)	\$ (2,002,782)
Difference between projected and actual earnings, net.....	-	(315,287)	(315,287)
Changes in assumptions.....	<u>5,935,956</u>	<u>(7,699,217)</u>	<u>(1,763,261)</u>
Total deferred outflows/(inflows) of resources.....	<u>\$ 7,046,574</u>	<u>\$ (11,127,904)</u>	<u>\$ (4,081,330)</u>

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

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:

2026.....	\$ (957,431)
2027.....	(1,032,116)
2028.....	(1,063,489)
2029.....	175,798
2030.....	<u>(1,204,092)</u>
 Total.....	 <u>\$ (4,081,330)</u>

Changes of Assumptions: The per capita health costs and contributions were updated. The trend assumptions were revised. The mortality projection scale for teachers was updated. The active enrollment assumption was updated.

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 \$157.9 million.

At June 30, 2025 the general fund had commitments for goods and services related to carryover articles and encumbrances of approximately \$11.4 million.

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, 2025, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2025.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

NOTE 14 – RESTATEMENT OF NET POSITION PREVIOUSLY REPORTED

In 2025, GASB #101 *Compensated Absences* was required to be implemented by the Town. This standard establishes new recognition and measurement requirements for compensated absences, such as unused vacation, sick leave, and other paid time off benefits. GASB 101 requires that liabilities for compensated absences be recognized when earned by employees, rather than when paid or taken. The implementation of GASB 101 resulted in a change to the reported amount of compensated absence liability for the financial statements. As a result, the Town's prior year net position was restated as follows:

	<u>Reporting Units Affected by Adjustments to Beginning Net Position</u>
	<u>Governmental Activities</u>
June 30, 2024, as previously presented.....	\$ 20,816,739
Restatement for the Implementation of GASB 101, <i>Compensated Absences</i>	<u>(20,846,000)</u>
June 30, 2024, as restated.....	\$ <u>(29,261)</u>

NOTE 15 – CHANGE WITHIN REPORTING ENTITY

During the fiscal year ended June 30, 2024, the Town reviewed its fund classifications and determined that the school capital projects fund, previously reported as a nonmajor fund, now 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 school capital projects fund has been reclassified as a major fund for the fiscal year ended June 30, 2025. This reclassification is based on the fund's financial activity, which meet the quantitative thresholds established for major fund reporting. The effects of this reclassification are reflected in the accompanying financial statements for the fiscal year ended June 30, 2025. The reclassification did not have any impact on the total net position or the change in net position of the Town.

Town of Burlington, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

	<u>Reporting Units Affected by Adjustments to Beginning Balances</u>	
	School Capital Projects	Nonmajor Governmental Funds
June 30, 2024, as previously presented.....	\$ -	\$ 21,863,139
Change from nonmajor fund to major fund...	<u>(200,008)</u>	<u>200,008</u>
June 30, 2024, as adjusted.....	<u>\$ (200,008)</u>	<u>\$ 22,063,147</u>

NOTE 16 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2025, the following GASB pronouncement was implemented:

- GASB Statement #101, *Compensated Absences*. As more fully described in Note 14, the implementation of this pronouncement required a restatement of beginning net position.
- GASB Statement #102, *Certain Risk Disclosures*. This pronouncement did not impact the annual comprehensive financial report.

The following GASB pronouncements will be implemented in the future:

- The GASB Issued Statement #103, *Financial Reporting Model Improvements*, which is required to be implemented for fiscal years beginning after June 15, 2025.
- The GASB issued Statement #104, *Disclosure of Certain Capital Assets*, which is required to be implemented for fiscal years beginning after June 15, 2025.
- The GASB issued Statement #105, *Subsequent Events*, which is required to be implemented for fiscal years beginning after June 15, 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, 2025

	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.....	\$ 146,792,967	\$ 146,792,967	\$ 147,652,972	\$ -	\$ 860,005
Tax liens.....	4,305,780	4,305,780	5,454,292	- 166,526	166,526
Motor vehicle and other excise taxes.....	4,925,000	4,925,000	6,743,593	-	1,148,512
Hotel, motel, and meals tax.....	625,000	625,000	847,147	-	1,818,593
Ambulance.....	3,925,000	3,925,000	5,741,807	-	222,147
Water charges.....	331,445	331,445	277,805	-	1,816,807
Penalties and interest on taxes.....	315,240	315,240	347,583	-	32,343
Fees and rentals.....	520,000	520,000	523,228	-	3,228
Payments in lieu of taxes.....	1,500,000	1,500,000	2,410,106	-	910,106
Intergovernmental.....	13,379,177	13,379,177	13,466,349	-	87,172
Departmental and other.....	895,400	895,400	1,098,255	-	202,855
Investment income.....	217,508	217,508	4,709,679	-	4,492,171
Miscellaneous.....	265,834	265,834	232,714	-	(33,120)
TOTAL REVENUES.....	177,998,351	177,998,351	189,672,056	-	11,673,705
EXPENDITURES:					
GENERAL GOVERNMENT					
TOWN MEETING & REPORTS					
Salaries.....	3,333	3,333	2,778	-	555
Expenses.....	12,575	12,575	12,575	-	-
TOTAL.....	15,908	15,908	15,353	-	555
OTHER LEGISLATIVE COMMITTEES					
Salaries.....	10,644	10,644	3,708	-	6,936
Expenses.....	373	373	-	-	373
TOTAL.....	11,017	11,017	3,708	-	7,309
TOWN ADMINISTRATION/SELECT BOARD					
Salaries.....	859,070	913,953	913,953	-	-
Expenses.....	142,415	142,415	96,302	27,198	18,915
Special accounts.....	17,500	17,500	6,688	10,000	812
Capital Articles.....	385,900	385,901	77,482	308,419	-
TOTAL.....	1,404,885	1,459,769	1,094,425	345,617	19,727
ACCOUNTING					
Salaries.....	512,320	523,217	511,613	-	11,604
Expenses.....	5,295	5,295	2,925	-	2,370
TOTAL.....	517,615	528,512	514,538	-	13,974
ASSESSORS					
Salaries.....	271,766	282,093	282,093	-	-
Expenses.....	201,354	201,354	175,448	15,144	10,762
Capital Articles.....	321,033	571,033	375,862	195,171	-
TOTAL.....	794,153	1,054,480	833,403	210,315	10,762
TREASURER/COLLECTOR					
Salaries.....	754,563	773,432	773,432	-	-
Expenses.....	31,200	31,200	7,804	370	23,026
Special accounts.....	100	100	-	-	100
TOTAL.....	785,863	804,732	781,236	370	23,126
CENTRAL ADMINISTRATION					
Central supply.....	140,000	140,000	152,990	-	(12,990)
Central machines.....	29,210	29,210	9,035	298	19,877
Town insurance.....	1,551,045	1,551,045	1,492,302	2,700	56,043
Financial services.....	70,000	129,025	60,530	-	68,495
TOTAL.....	1,790,255	1,849,280	1,714,857	2,998	131,425
LEGAL					
Legal expenses.....	202,000	202,000	180,583	7,226	14,191

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, 2025

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
HUMAN RESOURCES					
Salaries.....	163,258	177,493	162,306	-	15,187
Expenses.....	9,185	9,185	7,531	318	1,336
Special accounts.....	27,810	27,810	18,187	6,222	3,401
TOTAL	200,253	214,488	188,024	6,540	19,924
MANAGEMENT INFORMATION SYSTEMS					
Salaries.....	429,334	441,440	350,697	24,824	65,919
Expenses.....	411,366	411,366	335,521	24,825	51,020
Capital Articles.....	69,450	68,000	34,800	33,200	-
TOTAL	910,150	920,806	721,018	82,849	116,939
TOWN CLERK					
Salaries.....	435,215	445,000	444,999	-	1
Expenses.....	22,700	22,700	20,677	-	2,023
Special accounts.....	109,144	109,144	90,661	-	18,483
TOTAL	567,059	576,844	556,337	-	20,507
BOARD OF REGISTRAR					
Salaries.....	3,250	3,250	350	-	2,900
Expenses.....	13,400	13,400	13,361	-	39
TOTAL	16,650	16,650	13,711	-	2,939
CONSERVATION					
Salaries.....	307,811	315,164	282,280	-	32,884
Expenses.....	10,633	10,381	5,385	-	4,996
Special accounts.....	2,019	2,000	31	-	1,969
TOTAL	320,463	327,545	287,696	-	39,849
PLANNING BOARD					
Salaries.....	436,475	449,245	292,075	-	157,170
Expenses.....	53,346	53,346	24,681	42	28,623
Capital Articles.....	99,123	99,124	-	99,124	-
TOTAL	588,944	601,715	316,756	99,166	185,793
BOARD OF APPEALS					
Salaries.....	13,481	13,400	5,371	-	8,029
Expenses.....	250	250	83	-	167
TOTAL	13,731	13,650	5,454	-	8,196
TOWN FACILITIES					
Expenses.....	99,687	99,768	85,399	79	14,290
NEGOTIATED SETTLEMENTS	531,303	221,600	142,927	78,672	1
Total General Government	8,769,936	8,918,764	7,455,425	833,832	629,507
PUBLIC SAFETY					
POLICE DEPARTMENT					
Salaries.....	9,410,028	9,423,954	9,033,557	9,185	381,212
Expenses.....	901,452	901,452	781,875	98,500	21,077
Special accounts.....	388,110	388,110	345,191	-	42,919
Capital Articles.....	174,474	174,475	115,471	59,004	-
TOTAL	10,874,064	10,887,991	10,276,094	166,689	445,208
FIRE DEPARTMENT					
Salaries.....	9,358,160	9,370,199	9,370,199	-	-
Expenses.....	663,300	663,261	528,405	114,796	20,060
Special accounts.....	271,951	631,951	563,862	40,739	27,350
Capital Articles.....	2,087,016	2,087,016	956,219	1,130,797	-
TOTAL	12,380,427	12,752,427	11,418,685	1,286,332	47,410

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, 2025

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
BUILDING DEPARTMENT					
Salaries.....	694,967	704,060	674,322	-	29,738
Expenses.....	42,973	42,973	23,111	468	19,394
TOTAL	737,940	747,033	697,433	468	49,132
SEALER OF WEIGHTS					
Salaries.....	17,269	17,269	17,269	-	-
EMERGENCY MANAGEMENT SERVICE					
Expenses.....	8,100	8,100	-	8,100	-
Special accounts.....	5,500	5,500	300	5,200	-
TOTAL	13,600	13,600	300	13,300	-
Total Public Safety	24,023,300	24,418,320	22,409,781	1,466,789	541,750
EDUCATION					
PUBLIC SCHOOLS					
Salaries and expenditures.....	86,528,633	86,528,632	77,553,146	8,266,472	709,014
Capital articles.....	6,473,693	6,473,693	3,319,952	3,153,741	-
TOTAL	93,002,326	93,002,325	80,873,098	11,420,213	709,014
REGIONAL SCHOOL ASSESSMENTS	2,913,440	2,913,440	2,677,243	-	236,197
Total Education	95,915,766	95,915,765	83,550,341	11,420,213	945,211
PUBLIC WORKS					
Salaries.....	6,461,289	6,416,261	6,354,972	-	61,289
Expenses.....	4,663,759	6,231,459	5,752,462	466,501	12,496
Special accounts.....	574,084	574,084	501,441	65,533	7,110
Capital Articles.....	3,393,009	3,393,009	1,187,215	2,205,794	-
TOTAL	15,092,141	16,614,813	13,796,090	2,737,828	80,895
SNOW AND ICE					
Expenses.....	350,000	350,000	756,974	-	(406,974)
RUBBISH AND GARBAGE					
Expenses.....	3,545,456	3,545,456	2,778,019	595,000	172,437
STREET LIGHT					
Expenses.....	425,371	425,371	313,933	111,438	-
DEP DRINKING WATER					
Expenses.....	15,000	15,000	9,424	-	5,576
Total Public Works	19,427,968	20,950,640	17,654,440	3,444,266	(148,066)
HUMAN SERVICES					
BOARD OF HEALTH					
Salaries.....	759,624	786,662	730,033	150	56,479
Expenses.....	31,946	31,946	16,253	1,029	14,664
Special accounts.....	96,743	96,743	78,851	2,217	15,675
TOTAL	888,313	915,351	825,137	3,396	86,818
COUNCIL ON AGING					
Salaries.....	452,397	457,550	456,772	-	778
Expenses.....	9,800	9,800	5,712	-	4,088
Special accounts.....	500	500	-	-	500
TOTAL	462,697	467,850	462,484	-	5,366
VETERANS' SERVICES					
Salaries.....	173,251	179,404	178,698	-	706
Expenses.....	4,907	4,907	1,500	-	3,407
Special accounts.....	115,000	115,000	42,179	-	72,821
TOTAL	293,158	299,311	222,377	-	76,934

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, 2025

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
YOUTH AND FAMILY SERVICES					
Salaries.....	524,372	559,778	559,778	-	-
Expenses.....	37,006	37,006	29,347	250	7,409
TOTAL.....	561,378	596,784	589,125	250	7,409
DISABILITY ACCESS COMMISSION					
Salaries.....	783	10,783	10,768	-	15
Expenses.....	400	400	400	-	-
TOTAL.....	1,183	11,183	11,168	-	15
Total Human Services.....	2,206,729	2,290,479	2,110,291	3,646	176,542
CULTURE AND RECREATION					
PUBLIC LIBRARY					
Salaries.....	1,562,003	1,570,643	1,534,590	-	36,053
Expenses.....	82,156	82,156	82,155	-	1
Special accounts.....	226,172	226,172	224,134	279	1,759
TOTAL.....	1,870,331	1,878,971	1,840,879	279	37,813
RECREATION DEPARTMENT					
Salaries.....	1,884,768	1,901,802	1,901,802	-	-
Expenses.....	340,054	340,054	318,334	21,264	456
Capital Articles.....	670,919	686,919	606,536	80,383	-
TOTAL.....	2,895,741	2,928,775	2,826,672	101,647	456
HISTORICAL COMMISSION					
Expenses.....	10,024	10,024	5,052	3,750	1,222
Total Culture and Recreation.....	4,776,096	4,817,770	4,672,603	105,676	39,491
PENSION BENEFITS					
County retirement.....	14,291,966	14,291,966	14,291,966	-	-
EMPLOYEE BENEFITS					
Health insurance.....	17,242,850	17,242,850	15,859,854	181,000	1,201,996
Transfer to OPEB.....	1,113,144	1,113,144	1,113,144	-	-
Medicare tax.....	1,470,000	1,470,000	1,389,062	-	80,938
Unemployment compensation.....	100,000	100,000	72,206	1,988	25,806
TOTAL.....	19,925,994	19,925,994	18,434,266	182,988	1,308,740
CAPITAL IMPROVEMENTS	400,000	400,000	398,757	-	1,243
RESERVE FUND	200,000	300,000	-	-	300,000
STATE AND COUNTY ASSESSMENTS	1,138,544	1,138,544	1,138,544	-	-
DEBT SERVICE	8,772,664	8,772,664	8,521,904	-	250,760
TOTAL EXPENDITURES	199,848,963	202,140,906	180,638,318	17,457,410	4,045,178
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(21,850,612)	(24,142,555)	9,033,738	(17,457,410)	15,718,883
OTHER FINANCING SOURCES (USES):					
Transfers in.....	1,927,700	1,927,700	2,027,553	-	99,853
Transfers out.....	(8,500,000)	(25,067,862)	(25,067,862)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(6,572,300)	(23,140,162)	(23,040,309)	-	99,853
NET CHANGE IN FUND BALANCE	(28,422,912)	(47,282,717)	(14,006,571)	(17,457,410)	15,818,736
BUDGETARY FUND BALANCE, Beginning of year	76,659,948	76,659,948	76,659,948	-	-
BUDGETARY FUND BALANCE, End of year \$	48,237,036	\$ 29,377,231	\$ 62,653,377	\$ (17,457,410)	\$ 15,818,736

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

<u>Year</u>	<u>Proportion of the net pension liability (asset)</u>	<u>Proportionate share of the net pension liability (asset)</u>	<u>Covered-payroll</u>	<u>Net pension liability as a percentage of covered-payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
December 31, 2024.....	8.600%	\$ 139,944,825	\$ 42,574,940	328.70%	58.24%
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%

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, 2025.....	\$ 14,291,966	\$ (14,291,966)	\$ -	\$ 43,000,689	33.24%
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%

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.

<u>Year</u>	<u>Commonwealth's 100% Share of the Associated Net Pension Liability</u>	<u>Expense and Revenue Recognized for the Commonwealth's Support</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Liability</u>
2025.....	\$ 126,785,344	\$ 10,465,067	61.45%
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%

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	June 30, 2025
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	\$ 3,137,281
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	9,355,477
Changes of benefit terms.....	-	-	(2,094,953)	-	(397,909)	-	-	-	-
Differences between expected and actual experience.....	-	-	1,725,041	-	1,572,244	-	1,697,154	-	(3,736,080)
Changes of assumptions.....	-	-	685,874	(2,172,143)	(2,899,543)	-	(8,617,802)	8,903,936	(3,488,469)
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>	<u>(6,460,064)</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	(1,191,855)
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>	<u>133,687,798</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>	<u>\$ 132,495,943</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	\$ 1,113,144
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	6,460,064
Net investment income (loss).....	599,191	565,625	422,178	183,391	2,162,221	(546,275)	824,202	1,536,247	1,809,655
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>	<u>(6,460,064)</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	2,922,799
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>	<u>17,859,994</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>	<u>\$ 20,782,793</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>	<u>\$ 111,713,150</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%	15.69%
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	\$ 86,254,290
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%	129.52%

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, 2025.....	\$ 10,911,832	\$ (7,573,208)	\$ 3,338,624	\$ 86,254,290	8.78%
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>	Annual money-weighted rate of return, net of investment expense
June 30, 2025.....	9.59%
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.

Town of Burlington, Massachusetts

Notes to Required Supplementary Information

Year Ended June 30, 2025

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 2025 approved budget for the general fund authorized approximately \$208.3 million in appropriations and this amount includes \$16.4 million in encumbrances and appropriations carried over from previous years. During 2025, the Town increased the budget by \$18.9 million to \$227.2 million. Supplemental free cash appropriations included \$1.8 million to stabilization funds, \$100,000 for the operating budget, and \$14.8 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, 2025, is presented on the following page.

Town of Burlington, Massachusetts

Notes to Required Supplementary Information

Year Ended June 30, 2025

Net change in fund balance - budgetary basis..... \$ (14,006,571)

Perspective differences:

Activity of the sewer program.....	1,333,615
Activity of the stabilization fund recorded in the recorded in the general fund for GAAP.....	1,182,494

Basis of accounting differences:

Net change in recording tax refunds payable.....	(2,036,000)
Net change in recording 60 day receipts.....	(294,730)
Net change in recording accrued payroll.....	(1,441,322)
Recognition of revenue for on-behalf payments.....	10,465,067
Recognition of expenditures for on-behalf payments..	<u>(10,465,067)</u>

Net change in fund balance - GAAP basis..... \$ (15,262,514)

Excess of Expenditures over Appropriations

For the year ended June 30, 2025, actual expenditures exceeded appropriations for central administration central supply, and public works snow and ice. These over-expenditures will be raised and funded fiscal year 2026.

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

Town of Burlington, Massachusetts

Notes to Required Supplementary Information

Year Ended June 30, 2025

than the “total appropriation”. The pension fund appropriation is allocated to the Town based on covered payroll.

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: None.

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, 2025

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

Valuation date.....	December 31, 2024
Actuarial cost method.....	Entry age normal - level percentage of payroll.
Amortization method.....	Payments increase 3.25% per year
Remaining amortization period.....	21 years from December 31, 2024
Asset valuation method.....	Fair value
Discount rate.....	7.00%
Inflation rate.....	3.25%
Salary increases.....	Groups 1-2: 6.00% decreasing to 4.00% based on service Teachers: 7.50% decreasing to 4.00% based on service Group 4: 7.00% decreasing to 4.50% based on service
Health care trend rates.....	Non-Medicare: 8.00% graded by 0.25% for 14 years to an ultimate level of 4.50% Medicare: 7.00% graded by 0.25% for 10 years to an ultimate level of 4.50% 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. Teachers: Pub-2010 Teacher Employee Mortality Table (headcount weighted) projected generationally with Scale MP-2021. Healthy Retiree: Non-Teachers: RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally using Scale MP-2021. Teachers: Pub-2010 Teacher Retiree Mortality Table (headcount weighted) projected generationally with 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. Teachers: Pub-2010 Teacher Retiree Mortality Table (headcount weighted) projected generationally with Scale MP-2021.

Town of Burlington, Massachusetts

Notes to Required Supplementary Information

Year Ended June 30, 2025

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 per capita health costs and contributions were updated.
- The trend assumptions were revised.
- The mortality projection scale for teachers was updated.
- The active enrollment assumption was updated.

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 Funds

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.

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, 2025

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.....	\$ 7,522,290	\$ 4,165,133	\$ 490,934	\$ 41,088	\$ 993,906	\$ 39,271	\$ 7,848,461	\$ 849,583	\$ 21,950,666
Investments.....	-	-	-	-	-	-	-	-	-
Receivables, net of uncollectibles:									
Departmental and other.....	425,886	-	-	-	-	-	-	-	425,886
Intergovernmental.....	-	-	-	-	-	-	612,806	-	612,806
TOTAL ASSETS.....	<u>\$ 7,948,176</u>	<u>\$ 4,165,133</u>	<u>\$ 490,934</u>	<u>\$ 41,088</u>	<u>\$ 993,906</u>	<u>\$ 39,271</u>	<u>\$ 8,461,267</u>	<u>\$ 849,583</u>	<u>\$ 22,989,358</u>
LIABILITIES									
Warrants payable.....	\$ 35,367	\$ 5,016	\$ 683	\$ -	\$ 7,876	\$ 11,793	\$ 50,483	\$ -	\$ 111,218
Accrued payroll.....	97,872	-	-	-	-	-	8,828	-	106,700
Other liabilities.....	<u>1,071,567</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,071,567</u>
TOTAL LIABILITIES.....	<u>1,204,806</u>	<u>5,016</u>	<u>683</u>	<u>-</u>	<u>7,876</u>	<u>11,793</u>	<u>59,311</u>	<u>-</u>	<u>1,289,485</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue.....	425,886	-	-	-	-	-	-	-	425,886
FUND BALANCES									
Nonspendable.....	-	-	-	-	-	-	-	-	-
Restricted.....	6,317,484	4,160,117	490,251	41,088	-	27,478	8,401,956	849,583	20,287,957
Committed.....	-	-	-	-	986,030	-	-	-	986,030
TOTAL FUND BALANCES.....	<u>6,317,484</u>	<u>4,160,117</u>	<u>490,251</u>	<u>41,088</u>	<u>986,030</u>	<u>27,478</u>	<u>8,401,956</u>	<u>849,583</u>	<u>21,273,987</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....									
	<u>\$ 7,948,176</u>	<u>\$ 4,165,133</u>	<u>\$ 490,934</u>	<u>\$ 41,088</u>	<u>\$ 993,906</u>	<u>\$ 39,271</u>	<u>\$ 8,461,267</u>	<u>\$ 849,583</u>	<u>\$ 22,989,358</u>

Town of Burlington, Massachusetts

Nonmajor Governmental Funds
Combining Balance Sheet (Continued)

June 30, 2025

	Capital Project Fund		Permanent Funds			Total Nonmajor Governmental Funds
	Town Capital Projects	Town Libraries	Cemetery Perpetual Care	Conservation	Subtotal	
ASSETS						
Cash and cash equivalents.....	\$ 7,286,645	\$ 9	\$ 300,325	\$ 1,046	\$ 301,380	\$ 29,538,691
Investments.....	-	-	1,191,972	-	1,191,972	1,191,972
Receivables, net of uncollectibles:						
Departmental and other.....	-	-	-	-	-	425,886
Intergovernmental.....	-	-	-	-	-	612,806
TOTAL ASSETS.....	<u>\$ 7,286,645</u>	<u>\$ 9</u>	<u>\$ 1,492,297</u>	<u>\$ 1,046</u>	<u>\$ 1,493,352</u>	<u>\$ 31,769,355</u>
LIABILITIES						
Warrants payable.....	\$ 15,630	\$ -	\$ -	\$ -	\$ -	\$ 126,848
Accrued payroll.....	-	-	-	-	-	106,700
Other liabilities.....	-	-	-	-	-	1,071,567
TOTAL LIABILITIES.....	<u>15,630</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,305,115</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue.....	-	-	-	-	-	425,886
FUND BALANCES						
Nonspendable.....	-	-	929,828	1,046	930,874	930,874
Restricted.....	7,271,015	9	562,469	-	562,478	28,121,450
Committed.....	-	-	-	-	-	986,030
TOTAL FUND BALANCES.....	<u>7,271,015</u>	<u>9</u>	<u>1,492,297</u>	<u>1,046</u>	<u>1,493,352</u>	<u>30,038,354</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....						
	<u>\$ 7,286,645</u>	<u>\$ 9</u>	<u>\$ 1,492,297</u>	<u>\$ 1,046</u>	<u>\$ 1,493,352</u>	<u>\$ 31,769,355</u>

Town of Burlington, Massachusetts

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

Year Ended June 30, 2025

	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
REVENUES:									
Intergovernmental.....	\$ 9,900	\$ 86,217	\$ -	\$ -	\$ 1,512,455	\$ 10,054,773	\$ 76,163	\$ 11,739,508	
Departmental and other.....	4,877,838	3,243,578	6,100	18,388	2,049,807	-	667,760	108,000	10,971,471
Contributions and donations.....	-	-	157,934	2,590	-	-	-	-	160,524
Investment income.....	197	3,255	-	-	-	-	-	74	3,526
Miscellaneous.....	-	-	-	-	-	-	343,946	6,511	350,457
TOTAL REVENUES.....	4,887,935	3,333,050	164,034	20,978	2,049,807	1,512,455	11,066,479	190,748	23,225,486
EXPENDITURES:									
Current:									
General government.....	235,455	-	11,099	-	-	188,059	936,881	-	1,371,494
Public safety.....	2,440,921	-	-	-	-	19,476	418,459	56,471	2,935,327
Education.....	-	3,189,858	-	19,332	1,698,922	1,383,265	4,277,394	-	10,568,771
Public works.....	-	-	-	-	-	-	1,793,185	26,580	1,819,765
Health and human services.....	35,724	-	31,617	-	-	-	585,093	6,336	658,770
Water and sewer.....	9,453	-	-	-	-	-	928,081	-	937,534
Culture and recreation.....	1,146,440	-	50,523	-	-	-	50,577	-	1,247,540
Debt service:									
Principal.....	65,000	-	-	-	-	-	-	-	65,000
Interest.....	14,625	-	-	-	-	-	-	-	14,625
TOTAL EXPENDITURES.....	3,947,618	3,189,858	93,239	19,332	1,698,922	1,590,800	8,989,670	89,387	19,618,826
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....									
	940,317	143,192	70,795	1,646	350,885	(78,345)	2,076,809	101,361	3,606,660
OTHER FINANCING SOURCES (USES):									
Transfers in.....	134,093	250,000	-	-	-	-	-	-	384,093
Transfers out.....	(459,853)	-	-	-	-	(153,195)	(34,093)	-	(647,141)
TOTAL OTHER FINANCING SOURCES (USES).....	(325,760)	250,000	-	-	-	(153,195)	(34,093)	-	(263,048)
NET CHANGE IN FUND BALANCES.....	614,557	393,192	70,795	1,646	350,885	(231,540)	2,042,716	101,361	3,343,612
FUND BALANCES, 6/30/2024, AS PREVIOUSLY PRESENTED.....	5,702,927	3,766,925	419,456	39,442	635,145	259,018	6,359,240	748,222	17,930,375
ADJUSTMENT - CHANGE FROM NONMAJOR TO MAJOR FUND.....	-	-	-	-	-	-	-	-	-
FUND BALANCES, 6/30/2024, AS ADJUSTED.....	5,702,927	3,766,925	419,456	39,442	635,145	259,018	6,359,240	748,222	17,930,375
FUND BALANCES AT END OF YEAR.....	\$ 6,317,484	\$ 4,160,117	\$ 490,251	\$ 41,088	\$ 986,030	\$ 27,478	\$ 8,401,956	\$ 849,583	\$ 21,273,987

Town of Burlington, Massachusetts

Nonmajor Governmental Funds

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

Year Ended June 30, 2025

	Capital Project Funds			Permanent Funds				Total Nonmajor Governmental Funds
	Town Capital Projects	School Capital Projects	Subtotal	Town Libraries	Cemetery Perpetual Care	Conservation	Subtotal	
REVENUES:								
Intergovernmental.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,739,508
Departmental and other.....	-	-	-	-	-	-	-	10,971,471
Contributions and donations.....	-	-	-	-	33,400	-	-	193,924
Investment income.....	42,569	-	42,569	72	83,776	-	83,848	129,943
Miscellaneous.....	-	-	-	-	-	-	-	350,457
TOTAL REVENUES.....	42,569	-	42,569	72	117,176	-	117,248	23,385,303
EXPENDITURES:								
Current:								
General government.....	-	-	-	-	-	-	-	1,371,494
Public safety.....	2,943,706	-	2,943,706	-	-	-	-	5,879,033
Education.....	-	-	-	-	-	-	-	10,568,771
Public works.....	-	-	-	-	-	-	-	1,819,765
Health and human services.....	-	-	-	-	-	-	-	658,770
Water and sewer.....	-	-	-	-	-	-	-	937,534
Culture and recreation.....	78,842	-	78,842	5,674	-	-	5,674	1,332,056
Debt service:								
Principal.....	-	-	-	-	-	-	-	65,000
Interest.....	-	-	-	-	-	-	-	14,625
TOTAL EXPENDITURES.....	3,022,548	-	3,022,548	5,674	-	-	5,674	22,647,048
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(2,979,979)	-	(2,979,979)	(5,602)	117,176	-	111,574	738,255
OTHER FINANCING SOURCES (USES):								
Transfers in.....	7,500,000	-	7,500,000	-	-	-	-	7,884,093
Transfers out.....	-	-	-	-	-	-	-	(647,141)
TOTAL OTHER FINANCING SOURCES (USES).....	7,500,000	-	7,500,000	-	-	-	-	7,236,952
NET CHANGE IN FUND BALANCES.....	4,520,021	-	4,520,021	(5,602)	117,176	-	111,574	7,975,207
FUND BALANCES, 6/30/2024, AS PREVIOUSLY PRESENTED.....	2,750,994	(200,008)	2,550,986	5,611	1,375,121	1,046	1,381,778	21,863,139
ADJUSTMENT - CHANGE FROM NONMAJOR TO MAJOR FUND.....	-	200,008	200,008	-	-	-	-	200,008
FUND BALANCES, 6/30/2024, AS ADJUSTED.....	2,750,994	-	2,750,994	5,611	1,375,121	1,046	1,381,778	22,063,147
FUND BALANCES AT END OF YEAR.....	\$ 7,271,015	\$ -	\$ 7,271,015	\$ 9	\$ 1,492,297	\$ 1,046	\$ 1,493,352	\$ 30,038,354

This page intentionally left blank.

Statistical Section



DPW paving on Sheldon Street.

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
Net investment in capital assets...	\$ 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	\$ 177,336,599
Restricted.....	3,214,610	3,345,429	1,261,514	3,564,309	4,947,682	8,397,203	5,877,837	8,557,730	19,827,830	22,207,195
Unrestricted.....	<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>(172,601,644)</u>	<u>(187,545,179)</u>
 Total governmental activities										
net position.....	<u>\$ 46,462,191</u>	<u>\$ (13,808,457)</u>	<u>\$ (25,081,508)</u>	<u>\$ (21,174,652)</u>	<u>\$ (26,213,493)</u>	<u>\$ (25,882,051)</u>	<u>\$ (18,575,986)</u>	<u>\$ (267,808)</u>	<u>\$ (29,261)</u>	<u>\$ 11,998,615</u>

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.

The Town implemented GASB 101 in 2025 and adjusted 2024 for the beginning balance change.

Town of Burlington, Massachusetts

Changes in Net Position

Last Ten Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government.....	\$ 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	\$ 12,818,710
Public safety.....	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	37,326,576
Education.....	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	124,664,789
Public works.....	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	18,255,517
Water and sewer.....	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	14,255,307
Human services.....	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	4,063,802
Culture and recreation.....	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	8,060,586
Interest.....	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	2,549,296
Total primary government expenses.....	\$ 149,344,016	\$ 158,607,242	\$ 170,678,455	\$ 172,809,776	\$ 183,839,251	\$ 192,456,619	\$ 188,640,206	\$ 196,231,251	\$ 214,371,464	\$ 221,994,583
Program Revenues										
Governmental activities:										
Education charges for services.....	\$ 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	\$ 5,685,250
Public Safety charges for services.....	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	6,879,225
Water and sewer charges for services.....	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	13,861,632
Other charges for services.....	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	4,051,571
Operating grants and contributions.....	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	30,018,363
Capital grant and contributions.....	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	5,598,652
Total primary government program revenues.....	\$ 40,785,132	\$ 43,617,627	\$ 45,876,424	\$ 48,070,269	\$ 47,021,845	\$ 57,100,318	\$ 53,082,234	\$ 62,937,541	\$ 71,244,054	\$ 66,094,693
Net (Expense)/Program Revenue										
Governmental activities.....	\$ (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)	\$ (155,899,890)
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate and personal property taxes,										
net of tax refunds payable.....	\$ 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	\$ 145,280,763
Tax liens.....	265,140	170,429	339,317	171,838	144,224	308,716	633,488	42,540	508,564	41,949
Motor vehicle excise taxes.....	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	5,513,894
Hotel/motel and meals taxes.....	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	6,743,593
Penalties and interest on taxes.....	502,940	462,059	415,121	229,796	275,962	369,596	598,877	493,224	400,763	277,805
Payment in lieu of taxes.....	521,090	521,088	521,086	521,085	521,079	521,081	524,688	520,000	520,000	523,228
Grants and contributions not restricted to specific programs.....	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	3,362,833
Unrestricted investment income.....	746,779	687,963	756,072	2,121,185	1,983,128	2,418,605	1,164,386	3,173,061	6,250,892	6,183,701
Miscellaneous.....	252,221	311,448	272,599	291,774	240,832	173,684	-	-	-	-
Total primary government general revenues and other changes in net position.....	\$ 111,392,820	\$ 115,982,055	\$ 122,264,031	\$ 128,646,363	\$ 131,778,565	\$ 135,950,020	\$ 142,864,037	\$ 151,601,888	\$ 164,211,957	\$ 167,927,766
Changes in Net Position										
Governmental activities.....	\$ 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	\$ 12,027,876

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Committed.....\$	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	\$ 9,555,632
Assigned.....	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	13,164,412
Unassigned.....	<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>	<u>50,227,666</u>
Total general fund.....\$	<u>38,623,012</u>	<u>39,982,653</u>	<u>41,711,562</u>	<u>45,635,236</u>	<u>47,490,444</u>	<u>50,135,120</u>	<u>60,422,924</u>	<u>75,566,557</u>	<u>88,210,224</u>	<u>72,947,710</u>
All Other Governmental Funds										
Nonspendable.....\$	588,055	\$ 622,860	\$ 678,191	\$ 715,465	\$ 720,469	\$ 713,871	\$ 714,371	\$ 711,571	\$ 894,071	\$ 930,874
Restricted.....	9,707,085	7,528,523	15,900,480	15,428,204	22,726,981	31,702,097	19,464,628	16,231,106	20,533,931	44,812,635
Committed.....	-	-	-	-	-	-	-	-	635,145	986,030
Unassigned.....	-	<u>(199,165)</u>	<u>(25,941)</u>	<u>(492,410)</u>	-	-	<u>(492,410)</u>	<u>(11,230,851)</u>	<u>(10,614,664)</u>	-
Total all other governmental funds... \$	<u>10,295,140</u>	<u>7,952,218</u>	<u>\$ 16,552,730</u>	<u>\$ 15,651,259</u>	<u>\$ 23,447,450</u>	<u>\$ 32,415,968</u>	<u>\$ 19,686,589</u>	<u>\$ 5,711,826</u>	<u>\$ 11,448,483</u>	<u>\$ 46,729,539</u>

Town of Burlington, Massachusetts

Changes in Fund Balances, Governmental Funds

Last Ten Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Real estate and personal property taxes, net of tax refunds.....	\$ 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	\$ 145,322,242
Tax and other liens.....	597,682	302,047	269,043	154,966	157,619	236,777	899,521	324,286	176,024	166,526
Motor vehicle excise taxes.....	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	5,454,292
Hotel/motel and meals taxes.....	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	6,743,593
Water and sewer charges.....	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	13,553,315
Ambulance.....	854,582	883,701	861,949	860,094	723,975	512,041	775,580	765,460	871,356	847,147
Penalties and interest on taxes.....	502,940	462,059	415,121	229,796	275,962	369,596	598,877	493,224	400,763	277,805
Fees and rentals.....	599,641	427,463	442,342	457,792	432,300	552,757	542,603	354,261	316,204	347,583
Payment in lieu of taxes.....	521,090	521,088	521,086	521,085	521,079	521,081	524,688	520,000	520,000	523,228
Licenses and permits.....	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	2,410,106
Intergovernmental.....	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	39,317,966
Departmental and other.....	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	12,260,360
Contributions and donations.....	38,742	38,548	57,261	54,453	61,681	49,810	69,599	162,630	179,304	193,924
Investment income.....	561,453	503,844	519,746	1,520,258	1,282,918	1,102,033	789,310	2,785,688	5,708,147	5,631,320
Miscellaneous.....	474,277	387,817	941,300	601,308	402,777	832,158	903,318	367,140	475,164	583,171
Total Revenue.....	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	233,632,578
Expenditures:										
General government.....	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	8,644,732
Public safety.....	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	24,639,583
Education.....	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	93,451,618
Public works.....	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	8,559,312
Water and sewer.....	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	13,088,916
Human services.....	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	2,769,061
Culture and recreation.....	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	5,236,490
Pension benefits.....	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	24,757,033
Employee benefits.....	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	18,434,266
State and county charges.....	669,535	704,531	697,443	765,795	947,862	977,357	1,093,522	946,271	948,594	1,138,544
Capital outlay.....	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	23,199,169
Debt service:										
Principal.....	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	4,902,819
Interest.....	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	2,732,475
Total Expenditures.....	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	231,554,018
Excess of revenues over (under) expenditures.....	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	2,078,560
Other Financing Sources (Uses)										
Issuance of long-term debt.....	1,735,200	224,750	12,860,000	277,500	15,644,975	15,125,500	4,220,000	300,000	-	17,863,649
Issuance of debt refunding.....	2,058,000	-	-	-	5,265,025	5,737,000	-	-	-	-
Premium from issuance of debt.....	1,091,629	55,707	-	153,467	1,005,467	851,894	460,973	214,232	-	35,000
Premium from issuance of refunding bonds.....	313,910	-	-	-	848,140	919,036	-	-	-	-
Payments to refunded bond escrow agents.....	(2,347,806)	-	-	-	(6,113,165)	(6,571,659)	-	-	-	-
Lease financing.....	-	-	-	-	-	1,995,104	-	-	-	-
Transfers in.....	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	25,567,618
Transfers out.....	(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)	(25,567,618)
Total other financing sources (uses).....	2,850,933	280,457	12,860,000	430,967	16,650,442	18,056,875	4,680,973	514,232	-	17,898,649
Net change in fund balance.....	\$ 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	\$ 19,977,209
Debt service as a percentage of noncapital expenditures....	3.90%	3.89%	3.58%	3.40%	3.48%	3.37%	3.75%	3.86%	3.66%	3.66%

Town of Burlington, Massachusetts

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

Last Ten Years

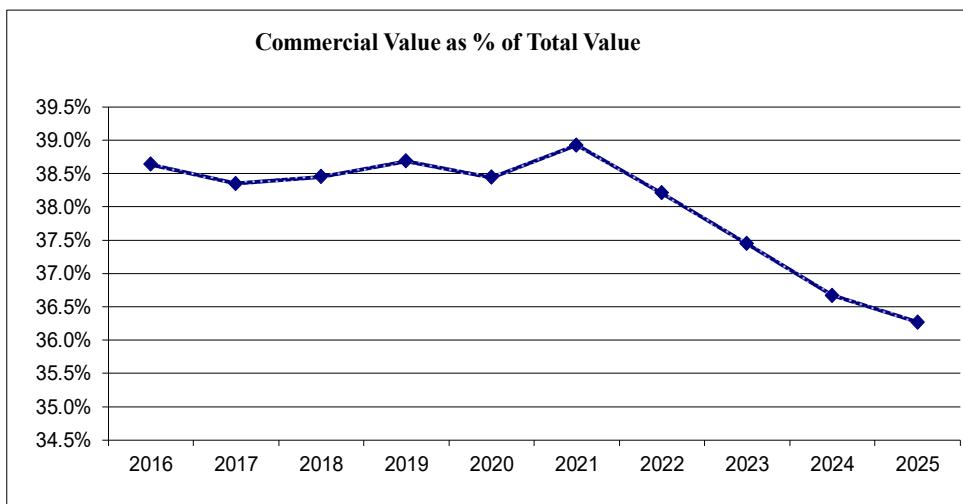
Year	Assessed and Actual Values and Tax Rates									
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Commercial % of Total Value	Direct Tax Rate	Total Town Value
2016	\$ 3,396,245,775	\$ 11.46	\$ 1,805,825,709	\$ 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
2025	6,383,275,340	8.66	3,043,316,176	293,327,424	295,621,930	3,632,265,530	25.47	36.3%	14.76	10,015,540,870

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

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

Total Assessed Value by Classification
Fiscal Year Ended June 30, 2025

Classification	Percentage
Residential	64%
Commercial	30%
Industrial	3%
Personal Property	2%



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	2025			2016		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
NDB Property Owner 1 LP	Office/Real Estate Development	\$ 334,321,800	1	3.3%	\$ -	-	
Bellwether Prop. Of Mass	Retail	261,274,100	2	2.6%	203,352,700	1	3.7%
NEEP Investors Holdings LLC	Office Building	230,993,300	3	2.3%	140,965,300	3	2.5%
NSTAR Electric & Gas Company	Utility Provider	126,455,930	4	1.3%	-		
EMD Millipore Corporation	Office Building	90,664,400	5	0.9%	-		
Wayside Commons Investors LLC	Office Building	88,873,900	6	0.9%	66,209,600	5	1.2%
Oracle USA INC	Computer Network Systems	86,417,600	7	0.9%	54,768,600	7	1.0%
ARCP OFC Burl (Phase 2) LLC	Office Building	76,040,400	8	0.8%	-		
Burlington Mall FB-I LLC	Retail	71,393,700	9	0.7%	57,537,700	6	1.0%
PIEDMONT 5 & 15 Wayside LLC	Office Building	65,859,260	10	0.7%	40,603,300	9	0.7%
Network Drive Owner LLC	Office Building	-			167,369,600	2	3.0%
Burlington Centre Owner LLC	Office Building	-			67,579,500	4	1.2%
PRIM 25 Mall Rd LLC	Office Building	-			43,093,700	8	0.8%
CH Rity VII-PHG Bos Burl LLC	Office Building	-			39,976,600	10	0.7%
		Totals	\$ 1,432,294,390	14.3%	\$ 881,456,600	15.9%	

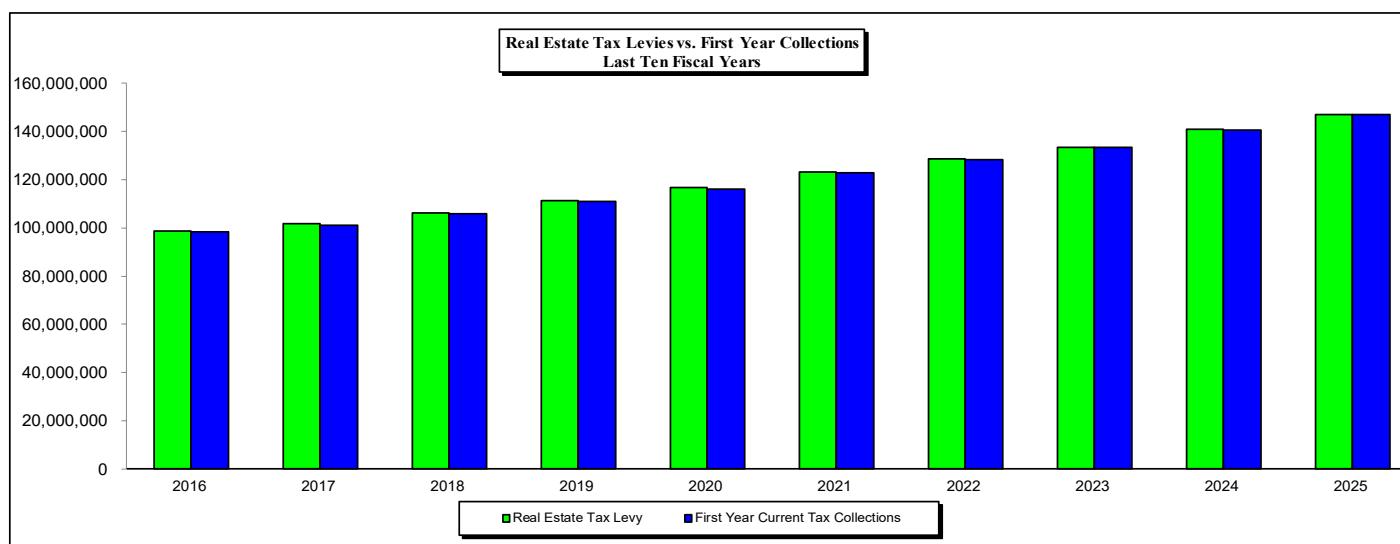
Source: Town of Burlington, Assessor Department

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
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%	139,254	140,752,306	100.00%
2025	147,792,967	748,902	147,044,065	99.49%	147,044,065	100.00%	-	147,044,065	100.00%



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							
				General Obligation Bonds	Direct Borrowings & Capital Financing	Total Outstanding	Long-Term Debt Outstanding	Per Capita	Percentage of Personal Income		
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	82,125,387	2,508,934	84,634,321	3,175	5.01%			
2025	27,430	1,876,074,850	10,015,540,870	73,619,557	11,014,764	84,634,321	3,085	4.51%			

Year	Total Governmental Activity				
	Lease Obligations	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
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	-	84,634,321	3,175	5.01%	0.90%
2025	-	84,634,321	3,085	4.51%	0.85%

Town of Burlington, Massachusetts

Direct and Overlapping Governmental Activities Debt

As of June 30, 2025

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Shawsheen Valley Technical Vocational School.....	\$ 2,410,000	9.45%	\$ 227,745
MWRA.....	4,189,381,712	1.00%	<u>41,893,817</u>
Subtotal, overlapping debt.....			<u>42,121,562</u>
Direct debt:			
General Governmental Debt.....			<u>84,634,321</u>
Total direct and overlapping debt.....			<u>\$ 126,755,883</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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Equalized Valuation.....	\$ 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	\$ 10,328,040,400
Debt Limit -5% of Equalized Valuation.....	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	516,402,020
Less:										
Outstanding debt applicable to limit.....	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	58,314,275
Authorized and unissued debt.....	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	157,945,791
Legal debt margin.....	\$ 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	\$ 300,141,954
Total debt applicable to the limit as a percentage of debt limit.....	17.50%	11.16%	15.79%	19.48%	15.39%	20.26%	20.00%	17.55%	16.24%	41.88%

Source: Town of Burlington, Treasurer's Department

Town of Burlington, Massachusetts

Demographic and Economic Statistics

Last Ten Years

Year	Population Estimates	Per Capita Personal Income		Median Age	School Enrollment	Unemployment Rate
		Personal Income	Per Capita			
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%
2025	27,430	1,876,074,850	68,395	44.9	3,615	4.6%

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	2025			2016		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Lahey Hospital & Medical	Health Care	1,200	1	2.8%	5,040	1	12.3%
MilliporeSigma	Biotechnology	1,000	2	2.3%	-	-	-
Oracle	Software/Communications	932	3	2.2%	2,300	2	5.6%
Nuance	Software/Communications	832	4	2.0%	525	8	1.3%
Salsefoce, Inc	Software/Communications	714	5	1.7%	-	-	-
Keurig Dr. Pepper Inc.	Wholesale	680	6	1.6%	750	6	1.8%
Federal Aviation Admin	Government	610	7	1.4%	385	10	0.9%
Vericel Corporation	Biotechnology	595	8	1.4%	-	-	-
Avid Technology Inc.	Arts and Culture	531	9	1.2%	800	4	2.0%
Wegmans	Retail	457	10	1.1%	630	7	1.5%
Siemens-Nixdorph	Information Technology	-	-	-	1,000	3	2.4%
Burlington Mall	Retail	-	-	-	750	5	1.8%
One Communications	Telecom	-	-	-	420	9	1.0%
Total		<u>7,551</u>		<u>18%</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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Function										
General government.....	43	43	43	43	43	44	43	45	45	45
Public Safety.....	147	152	157	160	160	161	159	159	150	160
Education.....	576	578	594	598	600	603	605	616	690	729
Public works.....	64	64	64	64	64	66	65	66	65	66
Human services.....	20	20	21	21	21	21	22	24	21	26
Culture and recreation.....	31	32	32	32	32	32	32	32	34	39
Total	881	889	911	918	920	927	926	942	1,005	1,065

Source: Town personnel records and various Town departments.

Town of Burlington, Massachusetts

Operating Indicators by Function/Program

Last Ten Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Population.....	25,463	25,128	25,392	25,634	26,143	26,186	26,720	26,512	26,655	27,430
Registered Voters, Annual Town Election.....	15,776	16,196	16,022	16,240	16,566	17,283	17,120	17,074	17,371	18,063
Town Clerk										
Births.....	201	278	288	282	280	174	294	274	275	276
Marriages.....	103	115	145	119	161	76	152	129	161	185
Deaths.....	776	1,023	1,039	1,000	705	753	1,254	1,281	1,300	1,303
Dogs licensed.....	2,365	2,431	2,427	2,410	2,464	2,586	2,649	2,634	2,630	2,551
Police										
Documented calls for police services.....	27,629	28,971	27,756	28,333	33,494	29,427	41,190	38,575	39,641	35,855
Uniform crimes reported.....	592	586	544	526	473	371	496	586	677	591
Arrests.....	225	202	200	186	165	225	377	440	461	293
Traffic citations issued.....	4,332	6,033	3,426	4,588	1,742	1,414	2,190	4,308	2,154	3,952
Parking tickets issued.....	-	-	-	-	-	-	27	170	353	618
False burglary alarms.....	1,558	1,625	1,624	1,486	1,395	1,194	1,181	1,236	1,376	1,302
Total number of animal complaints.....	411	395	410	437	406	332	450	424	439	444
Fire										
Inspections.....	774	728	961	729	738	779	887	899	935	796
Plan reviews.....	268	211	280	47	326	240	67	74	657	678
Permits/certificates issued.....	980	639	636	731	680	716	733	776	367	701
Emergency responses.....	7,436	7,581	7,450	7,597	7,203	7,262	8,247	8,412	8,747	5,501*
Building Department										
Permits issued.....	3,632	5,174	3,242	4,173	3,269	3,561	3,945	3,857	3,470	3,327
Education										
Public school enrollment.....	3,508	3,521	3,520	3,533	3,509	3,388	3,440	3,412	3,525	3,615
Public Works										
Cemetery										
Lots sold.....	51	59	52	46	47	38	29	29	32	31
Columbarium Niche Sales.....	N/A	N/A	32	30	15	23	19	16	11	12
Interments.....	144	167	158	167	165	156	124	156	149	159
Recycling/tons.....	N/A	N/A	6	10	12	19	21	13	8	6
	2,392	2,409	2,287	1,291	2,285	2,332	2,279	2,130	2,157	2,031
Human Services										
Board of Health										
Permits issued.....	430	335	334	382	381	371	391	773	769	741
Inspections.....	1,357	800	1,116	1,291	1,074	886	916	980	962	992
Library										
Volumes in collection.....	111,892	117,750	130,482	139,945	149,365	152,067	157,303	165,038	178,069	91,305**
Circulation.....	277,987	276,372	249,475	312,623	201,272	171,271	238,759	240,898	249,104	270,254
Program attendance.....	9,578	11,123	10,761	11,576	8,703	4,528	8,323	11,044	13,478	14,858
Visits.....	148,694	153,331	149,561	149,872	99,361	22,470	84,113	104,224	69,164	31,149***
Hours of operation.....	2,993	3,009	3,016	3,044	2,129	2,235	2,996	3,032	3,034	3,014
Youth & Family Services										
Misc resident clinical consultation hours.....	503	514	684	594	692	637	650	642	745	730
Recreation										
Participants.....	29,374	37,478	50,139	55,163	40,495	31,873	36,746	42,359	44,783	47,852

Source: Various Town Departments

* Reporting program was changed and possible double counting of ambulance trips in the past was corrected for

** State reporting of electronic items in consortia collections was changed

*** Traffic Counter was down and replaced, a new counter is expected to be installed

Town of Burlington, Massachusetts

Capital Asset Statistics by Function/Program

Last Ten Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
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	76	77	78	79	79	79	79	79	79
Fire										
Number of Stations.....	2	2	2	2	2	2	2	2	2	2
Fire personnel and officers.....	66	70	74	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	308	322	315	312	315	312	312	312	326
Number of students.....	3,508	3,521	3,520	3,533	3,509	3,388	3,440	3,412	3,440	3,615
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***

This page intentionally left blank

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, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 26, 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's 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.

CBIZ CPAs P.C.

Boston, MA
December 26, 2025