

CITY OF BARRE, VERMONT

AUDIT REPORT

JUNE 30, 2020

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Independent Auditor's Report

City Council
City of Barre
City Hall, 6 North Main Street, Suite 2
Barre, Vermont 05641

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Barre, Vermont, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Barre, Vermont's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Barre, Vermont as of June 30, 2020 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.

Correction of Errors

As described in Note III.B. to the financial statements, a certain error was corrected by management during the current year. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 14, the budgetary comparison information on Schedule 1, the Schedule of Proportionate Share of the Net Pension Liability for the City's participation in VMERS on Schedule 2 and the Schedule of Contributions for the City's participation in VMERS on Schedule 3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

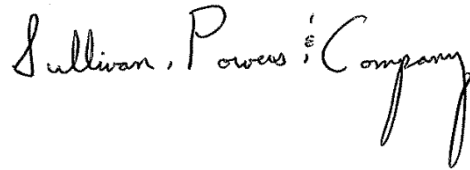
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Barre, Vermont's basic financial statements. The combining fund financial statements and combining schedule of the Special Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by “Government Auditing Standards”

In accordance with “Government Auditing Standards”, we have also issued our report dated December 7, 2020 on our consideration of the City of Barre, Vermont’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with “Government Auditing Standards” in considering the City of Barre, Vermont’s internal control over financial reporting and compliance.

December 7, 2020
Montpelier, Vermont
VT Lic. #92-000180

A handwritten signature in cursive script that reads "Sullivan, Powers & Company". The signature is written in black ink and is positioned to the right of the typed text.

CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

As management of the City of Barre, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2020. The purpose of the management discussion and analysis is to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position, (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

FINANCIAL HIGHLIGHTS

Government-wide Statements (refer to Exhibits A and B)

- The assets and deferred outflows of resources of the City of Barre exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$48,986,468 (total net position). Of this amount, a combined unrestricted net position is a deficit of (\$453,926), and \$1,690,484 represent resources that are subject to external restrictions on how they may be used.
- The City's total net position decreased by \$638,731. Of this amount, net position of the governmental activities decreased by \$663,409, and net position attributable to business-type activities increased by \$24,678.
- The City's total outstanding long-term debt increased by \$2,864,516 during the current fiscal year. Additions to long-term debt totaled \$4,137,000 offset by principal payments of \$1,272,484.

Fund Financial Statements (refer to Exhibit C, F, Schedule 4 and 12)

- Governmental funds contain many funds including General, Capital Improvement, Special Funds and Non-Major Funds.
 - Capital Improvement Fund – includes Streets, Sidewalks, and Capital Equipment Funds.
 - Special Fund – includes Re-appraisal, Donations, Records Retention, and Grant funds.
 - Non-Major Governmental Funds – include Community Development, Police Special Revenues, Recreation Programs, Semprebon, Justice Center, TIF, Shade Tree Improvement, and Cemetery Funds.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$3,040,901, a decrease of \$321,035 in comparison with the prior year.
- The General Fund fund balance increased by \$38,084 in FY20. This was due to several factors such as the COVID-19 pandemic negatively impacting the City's revenue streams such as the Civic Center rental/lease income, parking tickets and meter revenue, as well as ambulance income and revenue from the School Resource Officer program. In addition, as allowed in emergency COVID legislation Act 102 (2020), the Council abated late penalties and interest for delinquent taxes as of March 2020 through the end of the fiscal year. However, Barre City management team was able to manage against these revenue shortfalls by freezing expenditures, with the exception of purchases made for emergency and necessary purposes for continual operations, and staff volunteering to furlough either full or part-time. This acute monitoring of the financial conditions allowed for the City to eliminate the FY19 fund deficit and end with a net a surplus of \$1,105.
- The Capital Improvement Fund had an ending fund balance of \$828,591 of which \$848,888 is restricted for bond-approved projects, \$22,000 is non-spendable inventory, leaving a deficit of (\$42,297).
- The Special Fund had a current year surplus of \$101,291 leaving an ending fund balance of \$490,215.

CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

- The Non-Major Governmental Funds had a current year combined deficit of (\$455,370) leaving an ending fund balance of \$1,720,990. Of which, \$815,738 is Non-Expendable Cemetery Trust Funds, \$861,007 is restricted by external sources, and \$44,245 is assigned for Special Recreation Programs and Shade Tree Improvements.
- The Water Fund had a current year increase of \$329,612.
- The Sewer Fund operating expenses continue to exceed the revenues, resulting a current year loss of (\$304,934). This year the Sewer Fund collected \$102,165 from Barre Town in regards to HVAC upgrades preformed several years ago.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, presented in three sections: government-wide financial statements, fund financial statements, and notes to the financial statements. In addition, this report also contains required supplementary information such as a general fund budget to actual comparison and combining financial statements.

The financial activities of the government unit are recorded in funds. A fund, generally, is a separate set of books for each major activity. Fund financial statements report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. These operations are referred to as business-type activities, they are supported by user fees, and are recorded in enterprise funds separately from the general governmental activities which are accounted for primarily in the general fund and supported in large part by property tax revenues.

Government-Wide Financial Statements

The government-wide financial statements provide a general overview of the operations of the City presenting all data on the full accrual basis. There are two statements presented at the government-wide level: the Statement of Net Position and the Statement of Activities. Within each of these statements, the governmental activities are presented separately from the business-type activities. The governmental activities reflect the City's basic services; including general government, public safety, public works, community development, culture and recreation, and cemetery. The business-type activities of the City include the water and sewer fund.

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

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

The government-wide financial statements include not only the City itself (referred to as the primary government), but also other legally separate entities for which the City is financially accountable (referred to as component units). During the period under audit, the City was not responsible for any entities that qualify as component units.

The government-wide financial statements can be found in Exhibits A and B.

CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

Fund Financial Statements

A fund is a group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate finance-related legal compliance. The funds of the City are segregated into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The governmental fund financial statements provide a detailed short-term view that helps determine financial resources that are available to finance the City's programs in the near future.

The City maintains three major governmental funds; the General Fund, the Capital Improvement Fund, and the Special Fund. In addition to this, the City maintains a number of Special Revenue Funds, Capital Project Funds and Permanent Funds which do not qualify as major funds. These funds are consolidated into the column title Non-Major Governmental Funds. Combining financial statements containing more detailed information on these funds may be found on Schedules 4 through 13.

The governmental fund financial statements can be found in Exhibits C through E. The City adopts an annual budget for its general fund. Schedule 1 is a budget to actual comparison statement demonstrating compliance with the adopted budget.

Proprietary funds account for a government's business-type activities. There are two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains two enterprise funds; the Water Fund and Sewer Fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. The City has no internal service funds at this time.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Funds. The proprietary fund financial statements may be found in Exhibits F through H.

Fiduciary funds account for resources 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 programs of the City. The proprietary fund financial statement of the City can be found in Exhibit I & J.

Notes to the Financial Statements provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statement. The notes serve to explain, clarify, and expand upon the financial data presented in the financial statements. The notes are found immediately following the financial statements.

Supplementary information including a budgetary comparison statement for the general fund can be found immediately following the notes to the financial statements.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Governmental Activities		Business-type Activities		Total Government	
	2020	2019	2020	2019	2020	2019
Assets:						
Cash & Investments	\$ 5,038,733	\$ 4,592,043	\$ 3,275,766	\$ 200	\$ 8,314,499	\$ 4,592,243
Receivables, Net	802,471	952,014	1,507,853	1,822,950	2,310,324	2,774,964
Other Assets	(1,463,639)	(1,096,032)	1,836,256	1,469,309	372,617	373,277
Capital Assets	37,010,887	36,492,245	24,903,143	25,472,680	61,914,030	61,964,925
Total Assets	41,388,452	40,940,270	31,523,018	28,765,139	72,911,470	69,705,409
Deferred Outflow of Resources	1,120,860	1,225,640	117,741	126,562	1,238,601	1,352,202
Liabilities:						
Other Liabilities	1,009,743	796,309	1,468,484	1,610,332	2,478,227	2,406,641
Non-Current Liabilities	11,485,622	10,652,510	11,100,548	8,229,986	22,586,170	18,882,496
Total Liabilities	12,495,365	11,448,819	12,569,032	9,840,318	25,064,397	21,289,137
Deferred Inflow of Resources	90,130	129,865	9,076	13,410	99,206	143,275
Net Position:						
Net Investment in Capital Assets	30,349,716	30,636,367	17,400,194	17,613,501	47,749,910	48,249,868
Restricted	1,690,484	1,769,503	-	-	1,690,484	1,769,503
Unrestricted/(Deficit)	(2,116,383)	(1,818,644)	1,662,457	1,424,472	(453,926)	(394,172)
Total Net Position	\$ 29,923,817	\$ 30,587,226	\$ 19,062,651	\$ 19,037,973	\$ 48,986,468	\$ 49,625,199

As noted above, net position serves as a useful indicator of a government's financial position over time. At the end of the fiscal year, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$48,986,468. The City's total net position is split between governmental activities of \$29,923,817 and business-type activities net position of \$19,062,651.

The largest portion of the City's net position, 97.5%, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure (roads, bridges, etc.) less any related, outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

\$1,690,484 (3.5%) of the City's net position is restricted. These assets are subject to external restrictions on their use. The remaining is a deficit of (\$453,926).

CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

	Governmental Activities		Business-type Activities		Total Government	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,726,170	\$ 1,817,894	\$ 4,723,450	\$ 4,379,801	\$ 6,449,620	\$ 6,197,695
Operating Grants & Contributions:	735,580	825,189	-	-	735,580	825,189
Capital Grants & Contributions	538,413	327,513	-	411,953	538,413	739,466
General Revenues:						
Property & Local Option Taxes	9,706,318	9,281,397	-	-	9,706,318	9,281,397
Other	117,242	164,935	50,101	1,180	167,343	166,115
Total Revenues	12,823,723	12,416,928	4,773,551	4,792,934	17,597,274	17,209,862
Expenses:						
General Government	1,884,107	1,739,765	-	-	1,884,107	1,739,765
Public Safety	7,300,124	7,081,073	-	-	7,300,124	7,081,073
Public Works	2,931,590	3,042,125	-	-	2,931,590	3,042,125
Culture and Recreation	761,134	706,288	-	-	761,134	706,288
Community Development	117,732	116,916	-	-	117,732	116,916
Cemetery	214,714	230,934	-	-	214,714	230,934
Interest on Long-term Debt	277,731	296,499	-	-	277,731	296,499
Water	-	-	2,299,620	2,180,273	2,299,620	2,180,273
Sewer	-	-	2,449,253	2,232,674	2,449,253	2,232,674
Total Expenses	13,487,132	13,213,600	4,748,873	4,412,947	18,236,005	17,626,547
Increase/(Decrease) in Net Position	(663,409)	(796,672)	24,678	379,987	(638,731)	(416,685)
Beginning Net Position	30,587,226	31,383,898	19,037,973	18,657,986	49,625,199	50,041,884
Ending Net Position	\$ 29,923,817	\$ 30,587,226	\$ 19,062,651	\$ 19,037,973	\$ 48,986,468	\$ 49,625,199

Governmental activities

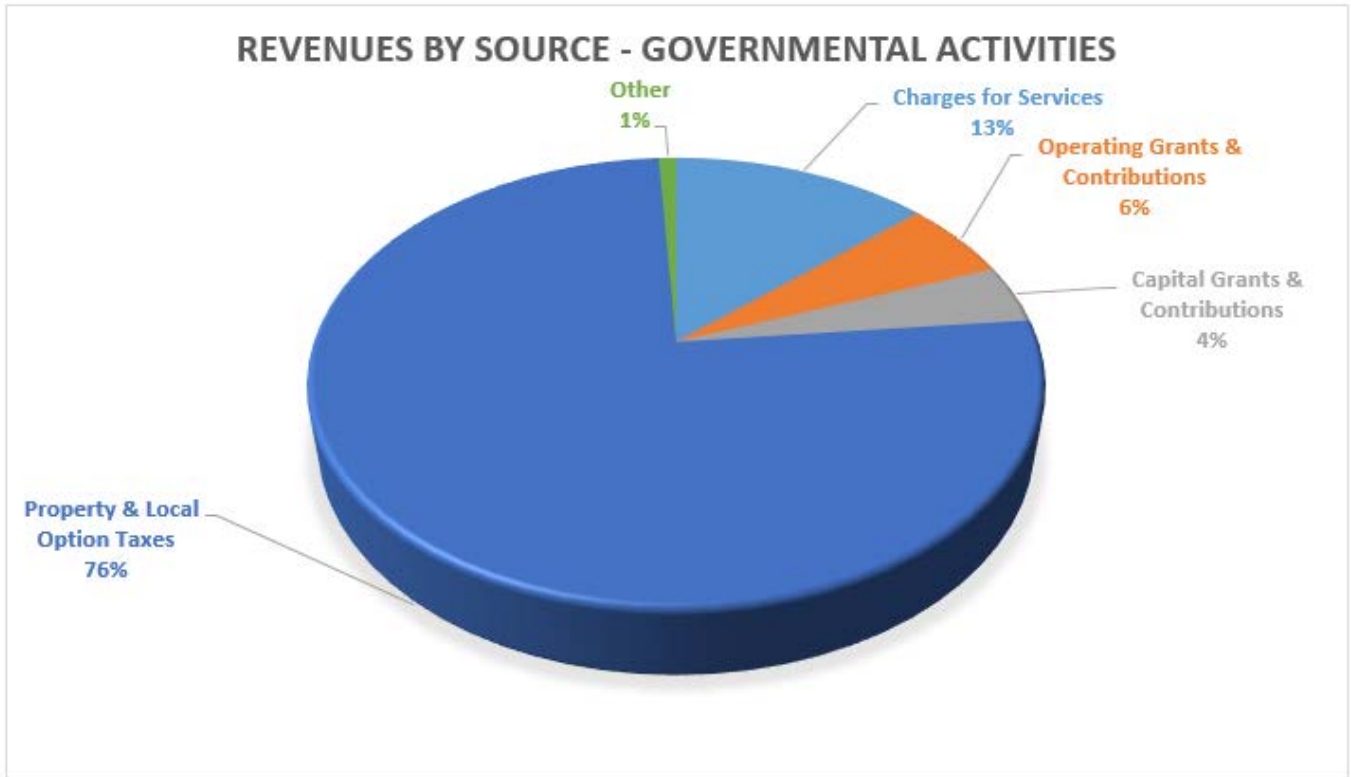
Governmental activities decreased the City's net position by (\$663,409) for the fiscal year ended June 30, 2020.

Key elements of the change are as follows:

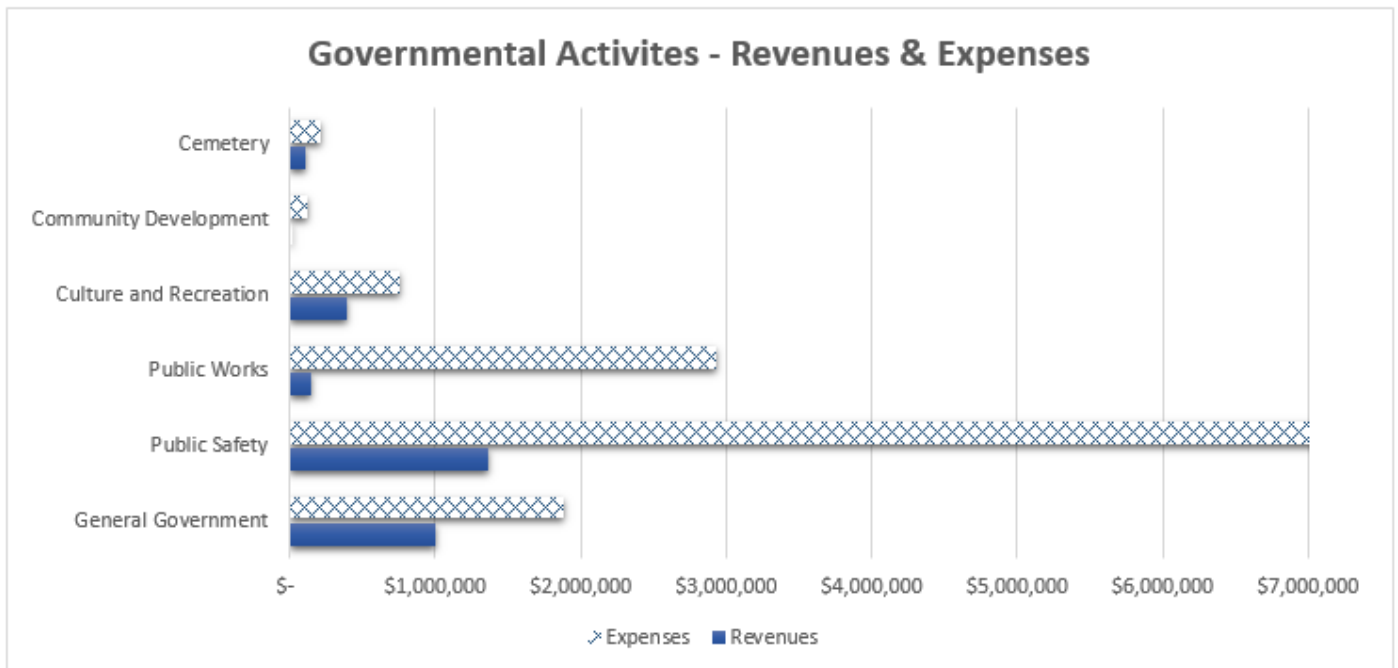
- Total governmental revenues increased by 3.3% or \$406,795 from 2019 to 2020. This was driven by an increase in property taxes and capital grants and contributions.
- Property and local option tax revenues increased 4.6% or \$424,921 from the previous year as a result of an increase of 2.6% in the property tax rate to \$1.8552 per \$100 of assessed value from \$1.8085 in 2019.
- Total governmental activities' expenses increased by 2.07% or \$273,532 from 2019 to 2020. Public safety remains the largest category of expenses year over year. Public safety expenses at the end of 2020 were \$7,300,124, which is an increase of 3.1% or \$219,051. This was largely due to personnel expenses.

CITY OF BARRE, VERMONT
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2020

The majority of revenue for governmental activities comes from property and local option taxes; 76% of total revenue or \$9,706,318. Charges for services are the second largest category of revenue at 13% of total revenue or \$1,726,170. The following graph shows the distribution of governmental revenues by source.



The following chart shows how major programs are funded. The revenues included in this graph are program specific revenues such as user fees, capital grants, and operating grants. General revenues such as property revenues and interest earnings are excluded. This chart indicates that program revenues do not support program expenses requiring property taxes to pay for the bulk of the expenses.



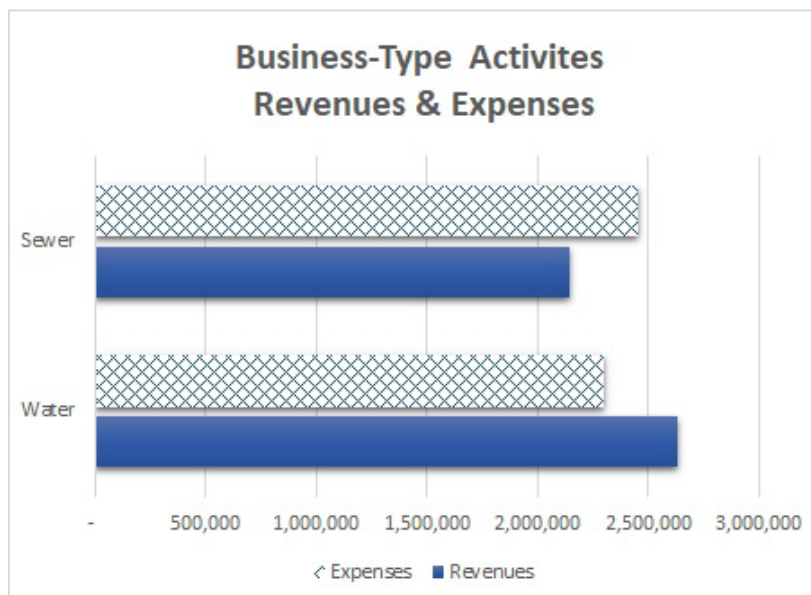
CITY OF BARRE, VERMONT
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2020

Business-type activities (Water and Sewer Funds):

Business-type activities increased the City's net position by \$24,678 during the current fiscal year. Key elements of this change are as follows:

- Sewer Fund was (\$304,934) short of covering their expenditures with charges for services. Charges for services include user fees, including Barre Town, penalties, and connection fees. Operating expenses increased 7.3% or \$158,864. Sewer response and repairs are continuing to increase in frequency as our system ages, specifically repairs to the wastewater treatment plant.
- Water Fund ended FY20 with a change in net position of \$329,612, making the total net position of \$10,740,944. Of that total, \$8,430,126 reflects the investment in capital assets, net of outstanding debt used to acquire or construct those assets and \$2,310,818 is unrestricted.

Business-type activities are accounted for in the same manner that businesses account for operations. It is necessary that revenues, operating and non-operating, plus retained earnings meet or exceed expenses to continue to operate. The graph below demonstrates that during the fiscal year expenses exceeded revenues in the sewer department and the revenues exceeded the expenses in the water department.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Barre uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Information presented and discussed in this section is specific to the fund financial statements.

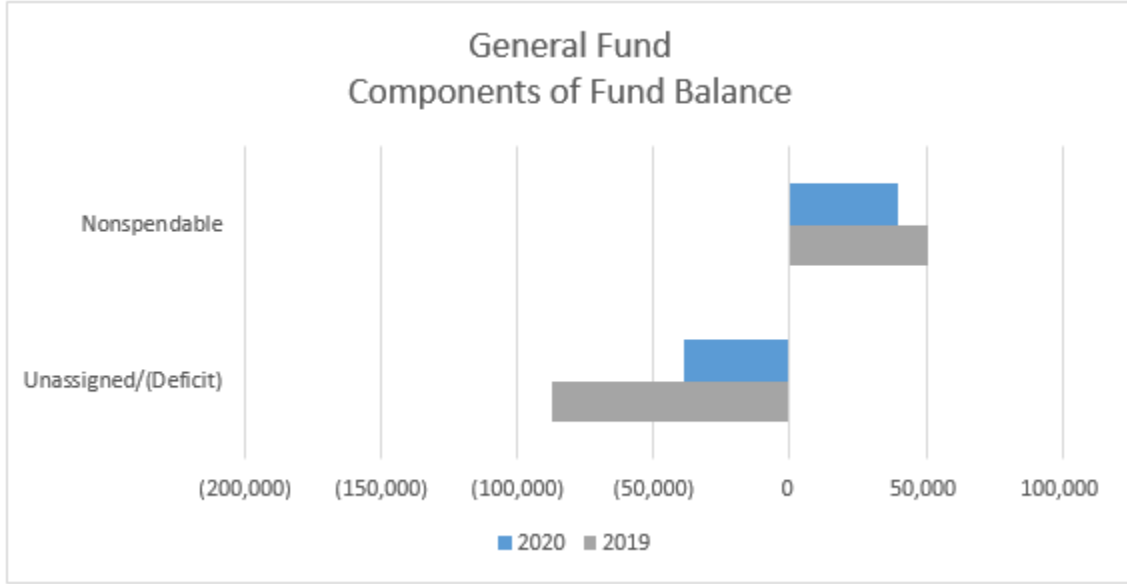
Governmental Funds

The focus of the City's governmental funds is to provide information on current year revenue, expenditures, and balances of spendable resources. 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 fiscal year.

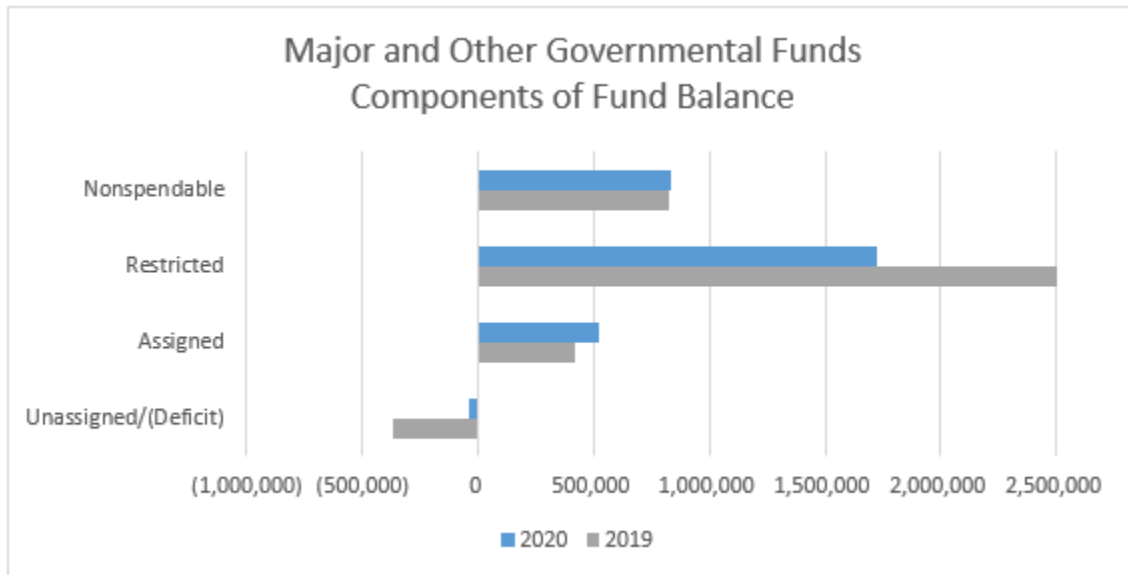
At June 30, 2020, the City's governmental funds reported combined fund balances of \$3,040,901, a decrease 9.5% or \$321,035 in comparison with the prior fiscal year. However, the unassigned/(deficit) balance is (\$80,845) which is a 69.7% improvement from the (\$267,049) deficit at the end of the prior fiscal year. The remainder of the fund balance is either nonspendable \$877,391, restricted for particular purposes \$1,723,634, or assigned by the City for specific purposes \$520,721. The components of each category are detailed in Footnote IV. K. Fund Balances.

CITY OF BARRE, VERMONT
 MANAGEMENT'S DISCUSSION AND ANALYSIS
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The general fund is the chief operating fund of the City. At the end of the fiscal year, total fund balance in the general fund was \$1,105 an increase of \$38,084 from the previous year. Of this amount, \$39,653 is in nonspendable form (prepaid expenses and inventory). Of the remaining amount, (\$38,548) is the fund (deficit) balance.



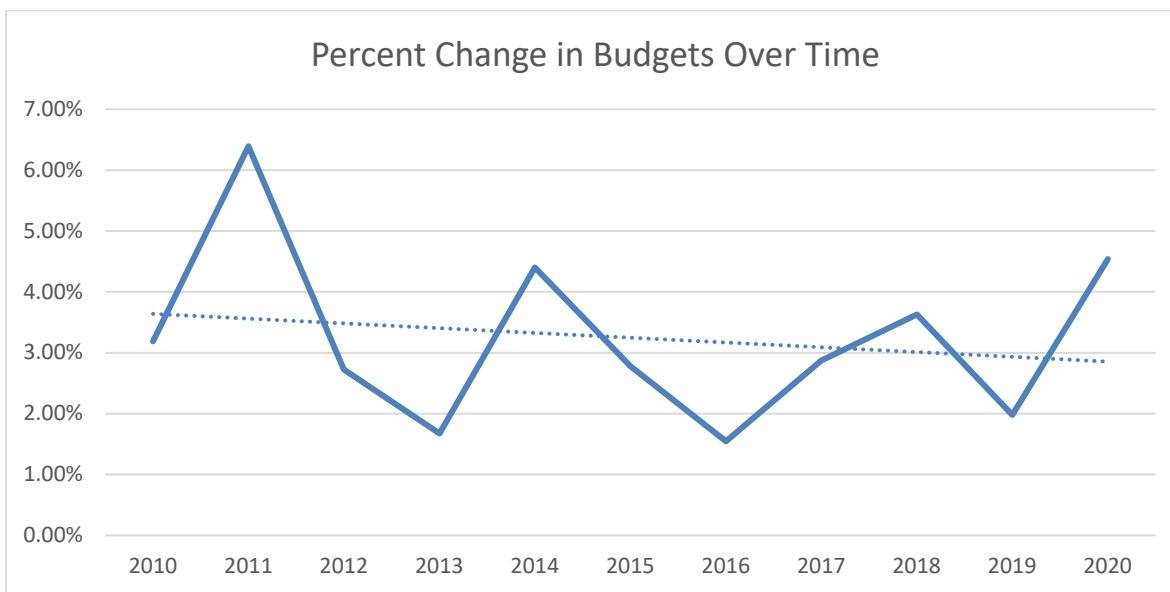
In the governmental funds other than the general fund, the most noteworthy change to the fund balance is a \$794,989 decrease in the restricted fund balance of \$1,723,634. The capital improvement fund decreased its restricted fund balance \$848,888 due to bond projects expenditures. The restricted fund decrease was also due to a decrease of \$390,061 in the TIF Fund restricted balance as the approved TIF projects came to completion. Also worth noting is the decrease in the deficit balance in the capital improvement fund.



CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

GENERAL FUND BUDGETARY HIGHLIGHTS:

The City's budget for the year ended June 30, 2020 passed on the first vote in March of 2019 and there were no amendments made during the year. The City's FY20 general fund budget total \$12,528,689 increased 4.54% over FY19. Actual results on the year were a surplus of \$38,084. FY20 financial results were largely impacted by COVID-19 pandemic. Revenues came in under budget by 3.3% or (\$415,619). The Federal CARES Act provided \$20,905 to the City in FY20 as part of the Provider Relief Fund. This funding was to support healthcare related expenses or lost revenue attributable to COVID-19. As the management team expected a decrease in revenue, expenditures were closely managed and came in under budget by 3.6% or \$453,703.



CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Barre City's investment in capital assets for its governmental and business-type activities as of June 30, 2020, totaled \$61,914,030 (net of accumulated depreciation). These assets include land, works of art, construction in progress, building and facilities, vehicles, machinery and equipment, furniture, infrastructure, cemetery developments, and distribution and collection systems. The City's combined investment in capital assets increased in FY20 by \$2,975,988. Combined accumulated depreciation at the end of the fiscal year is \$2,704,781. With the City disposing of assets totaling \$322,102, net of accumulated depreciation, and the combined accumulated depreciation exceeding the combined investment in capital assets, caused a net decrease in capital assets of (\$50,895).

Major capital asset transactions during the year include the following additions:

- Vehicles and equipment purchased in FY20 consisted of the following: Police Department – Nissan Titan, Chevy Equinox, Ford Cruiser; Fire Department – Ford F550 Ambulance, confined spaces rescue kit; Streets Department – International HV507 Chassis, International CV515 Chassis; 2 Genie Light Trailers; BOR – Chiller & Alarm System; Auditorium – Aruba Wi-Fi Gear
- Infrastructure additions: Storm Sewers: Merchant St. and Pouliot Ave. Stormwater Mitigation; Street Reconstruction: Hill to Patterson; Merchant St.; Keith Ave.; Pearl St.; Midway; Park St.; Sidewalks: Ayers St. Pedestrian Barrier; Currier Park; Lower Camp; Park St.
- Keith Ave./Pearl St. Pedway

CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

- Water Main Lines: Merchant St. & Lower Camp
- Construction in progress: Swimming Pool; Alumni Hall Boiler; Metro-Way Bike Path; Boiler for Digester; Methane Safety Flare; River St. Sanitary Sewer

Major capital asset transactions during the year include the following deletions:

- Vehicle deletions include Chevy Equinox and 2 Simplicity Mowers
- Building and Building Improvement deletions included the Wi-Fi Gear at the Auditorium, Swimming Pool piping, and Hill St. Paving.

Summary of Capital Assets

	Governmental Activities		Business-type Activities		Total Government	
	2020	2019	2020	2019	2020	2019
Capital Assets:						
Land	3,467,013	3,467,013	319,011	319,011	3,786,024	3,786,024
Works of Art	308,184	297,184	-	-	308,184	297,184
Construction in Progress	360,451	269,243	244,596	97,439	605,047	366,682
Buildings and Building Improvements	8,725,082	8,872,726	459,559	459,559	9,184,641	9,332,285
Vehicles, Machinery, Equipment and Furniture	8,289,216	8,556,453	1,855,826	2,320,488	10,145,042	10,876,941
Infrastructure	32,529,916	30,968,208	-	-	32,529,916	30,968,208
Cemetery Developments	823,929	823,929	-	-	823,929	823,929
Distribution and Collection Systems	-	-	38,579,211	38,582,640	38,579,211	38,582,640
	54,503,791	53,254,756	41,458,203	41,779,137	95,961,994	95,033,893
Less: Accumulated Depreciation	(17,492,904)	(16,762,511)	(16,555,060)	(16,306,457)	(34,047,964)	(33,068,968)
Total Assets, Net	37,010,887	36,492,245	24,903,143	25,472,680	61,914,030	61,964,925

Long Term Debt

The City began the year with \$15,273,101 in long-term debt outstanding. As of June 30, 2020 this amount had increased by \$2,864,516 or 18.8% to end the current year at \$18,137,617.

Summary of Long Term Debt

	30-Jun-19	Additions	Deletions	30-Jun-20
Governmental Activities	7,413,922	897,750	801,613	7,510,059
Business-type Activities	7,859,179	3,239,250	470,871	10,627,558
Total Government	15,273,101	4,137,000	1,272,484	18,137,617

Factors contributing to the change include the following:

- Principal payments totaling \$801,613 were made on the governmental activities debt and principal payments totaling \$470,871 were made on the business-type activities debt.
- New debt, as approved by voters, in the amount of \$897,750 was incurred in governmental activities for misc. building improvements at the Civic Center and City Hall; TIF District audit costs; infrastructure improvements; and ambulance. Business-type activities incurred \$3,239,250 in new, voter approved debt for the purpose of replacements, repairs, and upgrades to the wastewater treatment system, public water supply system, and storm water system.

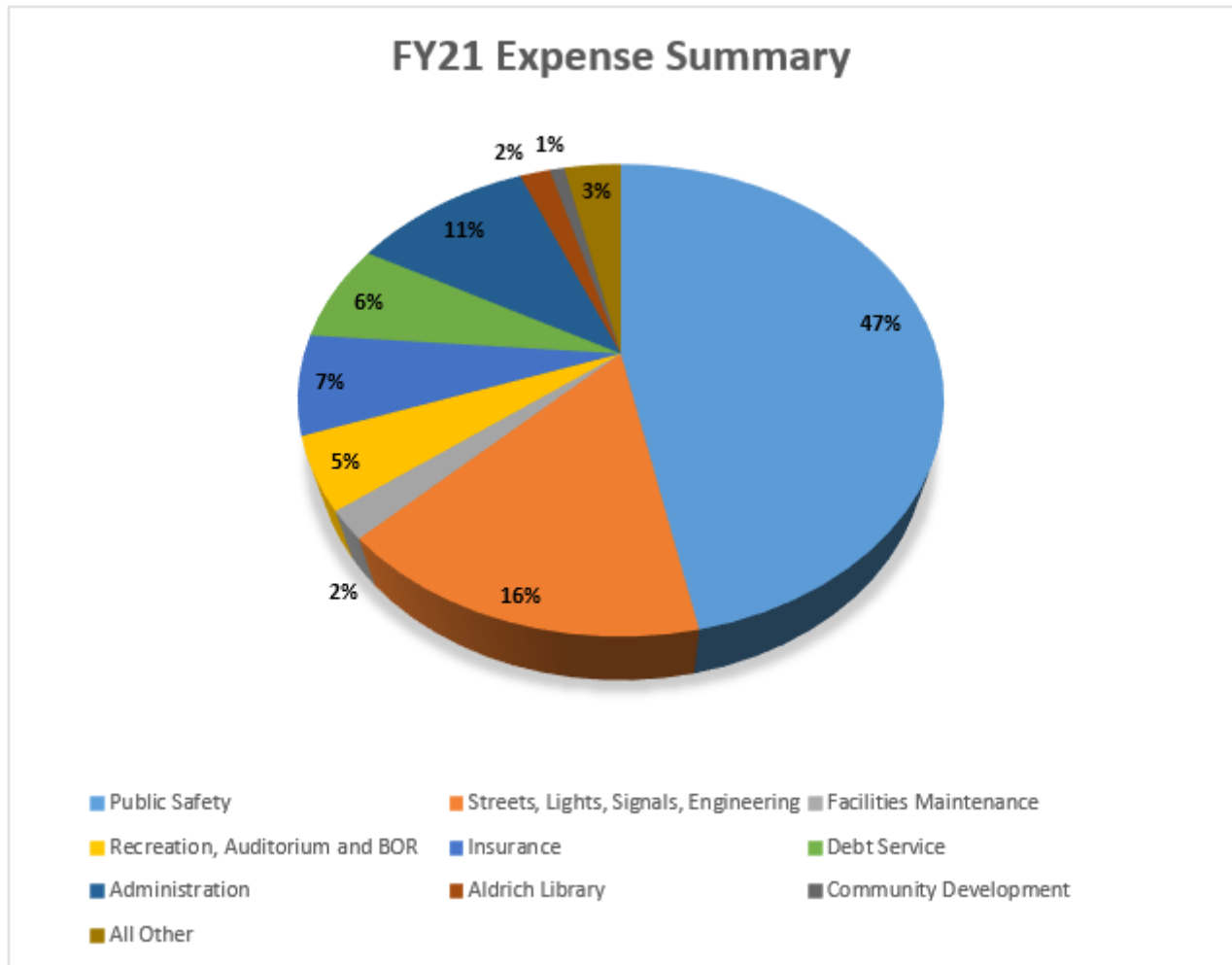
Additional information about long-term debt can be found in Footnote IV. J.

CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

NEXT YEAR'S BUDGET

Barre City voters approved a General Fund budget of \$13,016,455 for FY21 in March 2020. However, with the pandemic intensely spreading and anticipating significant impacts to revenue, City Council approved a reduced budget of \$12,562,269 in August 2020. The revised budget represents an increase of \$33,580 or .27% over the FY20 budget. The municipal tax rate increased by 3.17% to \$1.9141.

The graph below depicts how the City anticipates to spend its revised General Fund operating budget.



REQUESTS FOR INFORMATION

This report is designed to provide an overview of Barre City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director, City of Barre, 6 N. Main St. Barre, VT 05641.

CITY OF BARRE, VERMONT
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash	\$ 2,074,267	\$ 200	\$ 2,074,467
Restricted Cash and Cash Equivalents	1,337,005	3,275,566	4,612,571
Investments	1,627,461	0	1,627,461
Receivables (Net of Allowance for Uncollectibles)	802,471	1,507,853	2,310,324
Internal Balances	(1,525,292)	1,525,292	0
Prepaid Expenses	4,140	0	4,140
Inventory	57,513	310,964	368,477
Capital Assets:			
Land	3,467,013	319,011	3,786,024
Works of Art	308,184	0	308,184
Construction in Progress	360,451	244,596	605,047
Other Capital Assets, (Net of Accumulated Depreciation)	<u>32,875,239</u>	<u>24,339,536</u>	<u>57,214,775</u>
Total Assets	<u>41,388,452</u>	<u>31,523,018</u>	<u>72,911,470</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the City's Participation in VMERS	<u>1,120,860</u>	<u>117,741</u>	<u>1,238,601</u>
Total Deferred Outflows of Resources	<u>1,120,860</u>	<u>117,741</u>	<u>1,238,601</u>
<u>LIABILITIES</u>			
Accounts Payable	462,663	93,659	556,322
Accrued Payroll and Benefits Payable	208,847	23,823	232,670
Unearned Revenue	85,000	0	85,000
Due to State of Vermont	189,509	1,289,666	1,479,175
Short-term Debt Payable	100	0	100
Due to Others	4,167	0	4,167
Accrued Interest Payable	59,457	61,336	120,793
Noncurrent Liabilities:			
Due within One Year	791,403	607,978	1,399,381
Due in More than One Year	<u>10,694,219</u>	<u>10,492,570</u>	<u>21,186,789</u>
Total Liabilities	<u>12,495,365</u>	<u>12,569,032</u>	<u>25,064,397</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows of Resources Related to the City's Participation in VMERS	<u>90,130</u>	<u>9,076</u>	<u>99,206</u>
Total Deferred Inflows of Resources	<u>90,130</u>	<u>9,076</u>	<u>99,206</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	30,349,716	17,400,194	47,749,910
Restricted:			
Non-Expendable:			
Cemetery	815,738	0	815,738
Expendable:			
Bike Path and Non-Operating Expenditures	510,979	0	510,979
Cemetery	240,952	0	240,952
TIF District	49,029	0	49,029
Other Purposes	73,786	0	73,786
Unrestricted/(Deficit)	<u>(2,116,383)</u>	<u>1,662,457</u>	<u>(453,926)</u>
Total Net Position	<u>\$ 29,923,817</u>	<u>\$ 19,062,651</u>	<u>\$ 48,986,468</u>

The accompanying notes are an integral part of this financial statement.

CITY OF BARRE, VERMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:							
Primary Government:							
Governmental Activities:							
General Government	\$ 1,884,107	\$ 640,195	\$ 62,442	\$ 303,010	\$ (878,460)	\$ 0	\$ (878,460)
Public Safety	7,300,124	776,579	532,921	50,000	(5,940,624)	0	(5,940,624)
Public Works	2,931,590	0	140,217	0	(2,791,373)	0	(2,791,373)
Culture and Recreation	761,134	203,304	0	185,403	(372,427)	0	(372,427)
Community Development	117,732	0	0	0	(117,732)	0	(117,732)
Cemetery	214,714	106,092	0	0	(108,622)	0	(108,622)
Interest on Long-term Debt	277,731	0	0	0	(277,731)	0	(277,731)
Total Governmental Activities	13,487,132	1,726,170	735,580	538,413	(10,486,969)	0	(10,486,969)
Business-type Activities:							
Water	2,299,620	2,605,745	0	0	0	306,125	306,125
Sewer	2,449,253	2,117,705	0	0	0	(331,548)	(331,548)
Total Business-type Activities	4,748,873	4,723,450	0	0	0	(25,423)	(25,423)
Total Primary Government	\$ 18,236,005	\$ 6,449,620	\$ 735,580	\$ 538,413	(10,486,969)	(25,423)	(10,512,392)
General Revenues:							
Property Taxes					9,215,929	0	9,215,929
Penalties and Interest on Delinquent Taxes					47,481	0	47,481
Local Option Sales Tax					133,622	0	133,622
Payments in Lieu of Taxes					309,286	0	309,286
Unrestricted Investment Earnings					112,044	37,101	149,145
Insurance Proceeds					13,398	0	13,398
Other Revenues					4,800	0	4,800
Transfers:					(13,000)	13,000	0
Total General Revenues and Transfers					9,823,560	50,101	9,873,661
Change in Net Position					(663,409)	24,678	(638,731)
Net Position - July 1, 2019, As Restated					30,587,226	19,037,973	49,625,199
Net Position - June 30, 2020					\$ 29,923,817	\$ 19,062,651	\$ 48,986,468

The accompanying notes are an integral part of this financial statement.

CITY OF BARRE, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	Capital Improvement Fund	Special Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 1,768,816	\$ 100	\$ 0	\$ 305,351	\$ 2,074,267
Restricted Cash and Cash Equivalents	0	1,337,005	0	0	1,337,005
Investments	0	0	0	1,627,461	1,627,461
Receivables (Net of Allowance for Uncollectibles)	397,780	221,699	182,992	0	802,471
Due from Other Funds	0	0	495,693	56,059	551,752
Prepaid Items	4,140	0	0	0	4,140
Inventory	35,513	22,000	0	0	57,513
Total Assets	<u>\$ 2,206,249</u>	<u>\$ 1,580,804</u>	<u>\$ 678,685</u>	<u>\$ 1,988,871</u>	<u>\$ 6,454,609</u>
LIABILITIES					
Accounts Payable	\$ 243,004	\$ 204,967	\$ 14,692	\$ 0	\$ 462,663
Accrued Payroll and Benefits Payable	207,676	0	1,171	0	208,847
Advances from Other Funds	0	174,154	0	0	174,154
Due to Other Funds	1,451,526	183,483	0	267,881	1,902,890
Unearned Revenue	85,000	0	0	0	85,000
Due to State of Vermont	0	189,509	0	0	189,509
Short-term Debt Payable	0	100	0	0	100
Due to Others	4,167	0	0	0	4,167
Total Liabilities	<u>1,991,373</u>	<u>752,213</u>	<u>15,863</u>	<u>267,881</u>	<u>3,027,330</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Property Taxes, Penalties, Interest and Related Fees	194,800	0	0	0	194,800
Unavailable Ambulance Fees	9,000	0	0	0	9,000
Unavailable Grants	0	0	172,607	0	172,607
Unavailable Miscellaneous Revenue	9,971	0	0	0	9,971
Total Deferred Inflows of Resources	<u>213,771</u>	<u>0</u>	<u>172,607</u>	<u>0</u>	<u>386,378</u>
FUND BALANCES/(DEFICIT)					
Nonspendable	39,653	22,000	0	815,738	877,391
Restricted	0	848,888	13,739	861,007	1,723,634
Assigned	0	0	476,476	44,245	520,721
Unassigned/(Deficit)	<u>(38,548)</u>	<u>(42,297)</u>	<u>0</u>	<u>0</u>	<u>(80,845)</u>
Total Fund Balances/(Deficit)	<u>1,105</u>	<u>828,591</u>	<u>490,215</u>	<u>1,720,990</u>	<u>3,040,901</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,206,249</u>	<u>\$ 1,580,804</u>	<u>\$ 678,685</u>	<u>\$ 1,988,871</u>	
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:					
Capital Assets Used in Governmental Activities are not Financial Resources and, Therefore, are not Reported in the Funds.					37,010,887
Other Assets are not Available to Pay for Current-Period Expenditures and, Therefore, are Deferred in the Funds.					386,378
Long-term and Accrued Liabilities, Including Bonds Payable and the Net Pension Liability, are not Due or Payable in the Current Period and, Therefore, are not Reported in the Funds.					(11,545,079)
Deferred Outflows and Inflows of Resources related to the City's Participation in VMERS are applicable to Future Periods and, Therefore, are not Reported in the Funds.					<u>1,030,730</u>
Net Position of Governmental Activities					<u>\$ 29,923,817</u>

The accompanying notes are an integral part of this financial statement.

CITY OF BARRE, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Capital Improvement Fund	Special Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Property Taxes	\$ 8,566,963	\$ 463,000	\$ 0	\$ 169,666	\$ 9,199,629
Penalties and Interest on Delinquent Taxes	47,481	0	0	0	47,481
Local Option Sales Tax	0	133,622	0	0	133,622
Payments in Lieu of Taxes	309,286	0	0	0	309,286
Intergovernmental	291,904	0	420,518	368,230	1,080,652
Charges for Services	2,000,177	38,129	1,750	6,814	2,046,870
Permits, Licenses and Fees	535,156	0	22,771	0	557,927
Fines and Forfeits	39,359	0	0	0	39,359
Investment Income	46,706	7,735	0	57,603	112,044
Donations	61,567	0	124,902	0	186,469
Other	4,800	0	0	0	4,800
Total Revenues	<u>11,903,399</u>	<u>642,486</u>	<u>569,941</u>	<u>602,313</u>	<u>13,718,139</u>
Expenditures:					
General Government	2,462,804	85,983	32,391	7,041	2,588,219
Public Safety	5,941,413	0	40,285	382,846	6,364,544
Public Works	1,225,287	70,019	68,923	0	1,364,229
Culture and Recreation	655,696	0	2,755	14,984	673,435
Community Development	117,732	0	0	0	117,732
Cemetery	166,208	0	0	0	166,208
Capital Outlay:					
General Government	33,290	384,932	264,213	402,284	1,084,719
Public Safety	58,614	236,283	50,000	0	344,897
Public Works	235,803	311,950	0	0	547,753
Culture and Recreation	98,562	421,145	0	26,921	546,628
Debt Service:					
Principal	726,416	37,431	21,429	88,000	873,276
Interest	211,809	785	414	65,674	278,682
Total Expenditures	<u>11,933,634</u>	<u>1,548,528</u>	<u>480,410</u>	<u>987,750</u>	<u>14,950,322</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>(30,235)</u>	<u>(906,042)</u>	<u>89,531</u>	<u>(385,437)</u>	<u>(1,232,183)</u>
Other Financing Sources/(Uses):					
Issuance of Long-term Debt	0	897,750	0	0	897,750
Insurance Proceeds	0	13,398	0	0	13,398
Transfers In	209,671	178,025	11,760	66,567	466,023
Transfers Out	(141,352)	(188,171)	0	(136,500)	(466,023)
Total Other Financing Sources/(Uses)	<u>68,319</u>	<u>901,002</u>	<u>11,760</u>	<u>(69,933)</u>	<u>911,148</u>
Net Change in Fund Balances	38,084	(5,040)	101,291	(455,370)	(321,035)
Fund Balances/(Deficit) - July 1, 2019, As Restated	<u>(36,979)</u>	<u>833,631</u>	<u>388,924</u>	<u>2,176,360</u>	<u>3,361,936</u>
Fund Balances/(Deficit) - June 30, 2020	<u>\$ 1,105</u>	<u>\$ 828,591</u>	<u>\$ 490,215</u>	<u>\$ 1,720,990</u>	<u>\$ 3,040,901</u>

The accompanying notes are an integral part of this financial statement.

CITY OF BARRE, VERMONT
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2020

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total government funds (Exhibit D)	\$	(321,035)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$2,523,997) is allocated over their estimated useful lives and reported as depreciation expense (\$1,906,189). This is the amount by which capital outlays exceeded depreciation in the current period.		617,808
The net effect of various transactions involving capital assets (i.e., sales and losses on disposal of assets) is to reduce net position.		(86,166)
The City transferred a capital asset to the Water Fund and the Sewer Fund during the year. This is the net effect on net position.		(13,000)
The issuance of long-term debt (\$897,750) (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$873,276) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		(24,474)
Governmental funds report employer pension contributions as expenditures (\$359,297). However, in the statement of activities, the cost of pension benefits earned net of employee contributions (\$1,065,995) is reported as pension expense. This amount is the net effect of the differences in the treatment of pension expense.		(706,698)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		36,190
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>(166,034)</u>
Change in net position of governmental activities (Exhibit B)	\$	<u><u>(663,409)</u></u>

The accompanying notes are an integral part of this financial statement.

CITY OF BARRE, VERMONT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Water Fund	Sewer Fund	Total
<u>ASSETS</u>			
Current Assets:			
Cash	\$ 200	\$ 0	\$ 200
Restricted Cash Equivalents	1,228,987	2,046,579	3,275,566
Receivables (Net of Allowance for Uncollectibles)	741,308	766,545	1,507,853
Advances to Other Funds - Current Portion	0	10,000	10,000
Due from Other Funds	1,615,749	0	1,615,749
Inventory	270,210	40,754	310,964
Total Current Assets	3,856,454	2,863,878	6,720,332
Noncurrent Assets:			
Advances to Other Funds - Noncurrent Portion	0	164,154	164,154
Capital Assets:			
Land	210,011	109,000	319,011
Construction in Progress	105,611	138,985	244,596
Buildings and Building Improvements	10,194	449,365	459,559
Vehicles, Machinery, Equipment and Furniture	183,052	1,672,774	1,855,826
Distribution and Collection Systems	23,848,820	14,730,391	38,579,211
Less: Accumulated Depreciation	(9,861,805)	(6,693,255)	(16,555,060)
Total Noncurrent Assets	14,495,883	10,571,414	25,067,297
Total Assets	18,352,337	13,435,292	31,787,629
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the City's Participation in VMERS			
	55,564	62,177	117,741
Total Deferred Outflows of Resources	55,564	62,177	117,741
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	39,856	53,803	93,659
Accrued Payroll and Benefits Payable	12,082	11,741	23,823
Due to Other Funds	0	264,611	264,611
Due to State of Vermont - Current Portion	87,206	434,460	521,666
Accrued Interest Payable	44,178	17,158	61,336
Notes Payable - Current Portion	60,176	0	60,176
General Obligation Bonds Payable - Current Portion	326,617	221,185	547,802
Total Current Liabilities	570,115	1,002,958	1,573,073
Noncurrent Liabilities:			
Due to State of Vermont - Noncurrent Portion	0	768,000	768,000
Compensated Absences Payable	54,726	93,490	148,216
Net Pension Liability	153,265	171,509	324,774
Notes Payable - Noncurrent Portion	321,859	0	321,859
General Obligation Bonds Payable - Noncurrent Portion	6,562,709	3,135,012	9,697,721
Total Noncurrent Liabilities	7,092,559	4,168,011	11,260,570
Total Liabilities	7,662,674	5,170,969	12,833,643
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows of Resources Related to the City's Participation in VMERS			
	4,283	4,793	9,076
Total Deferred Inflows of Resources	4,283	4,793	9,076
<u>NET POSITION</u>			
Net Investment in Capital Assets	8,430,126	8,970,068	17,400,194
Unrestricted/(Deficit)	2,310,818	(648,361)	1,662,457
Total Net Position	\$ 10,740,944	\$ 8,321,707	\$ 19,062,651

The accompanying notes are an integral part of this financial statement.

CITY OF BARRE, VERMONT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Water Fund	Sewer Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Operating Revenues:			
Charges for Services	\$ 2,581,612	\$ 2,105,800	\$ 4,687,412
Interest and Penalties	23,416	11,905	35,321
Other	<u>717</u>	<u>0</u>	<u>717</u>
Total Operating Revenues	<u>2,605,745</u>	<u>2,117,705</u>	<u>4,723,450</u>
Operating Expenses:			
Payroll and Benefits	573,511	612,363	1,185,874
Administrative Costs	465,502	465,502	931,004
Professional Services	7,837	16,438	24,275
Supplies	17,525	18,377	35,902
Utilities	116,542	226,107	342,649
Maintenance	198,712	167,757	366,469
Chemicals	136,119	173,223	309,342
Permits & Testing	34,560	15,135	49,695
Taxes	56,881	0	56,881
Sludge Disposal	0	293,711	293,711
Depreciation	451,530	347,062	798,592
Other Operating Expenses	<u>1,119</u>	<u>7,290</u>	<u>8,409</u>
Total Operating Expenses	<u>2,059,838</u>	<u>2,342,965</u>	<u>4,402,803</u>
Operating Income/(Loss)	<u>545,907</u>	<u>(225,260)</u>	<u>320,647</u>
Non-Operating Revenues/(Expenses):			
Investment Income	13,487	23,614	37,101
Interest Expense	<u>(239,782)</u>	<u>(106,288)</u>	<u>(346,070)</u>
Total Non-Operating Revenues/(Expenses)	<u>(226,295)</u>	<u>(82,674)</u>	<u>(308,969)</u>
Net Income/(Loss) Before Transfers	319,612	(307,934)	11,678
Transfers In	<u>10,000</u>	<u>3,000</u>	<u>13,000</u>
Change in Net Position	329,612	(304,934)	24,678
Net Position - July 1, 2019, As Restated	<u>10,411,332</u>	<u>8,626,641</u>	<u>19,037,973</u>
Net Position - June 30, 2020	<u>\$ 10,740,944</u>	<u>\$ 8,321,707</u>	<u>\$ 19,062,651</u>

The accompanying notes are an integral part of this financial statement.

CITY OF BARRE, VERMONT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Water Fund	Sewer Fund	Total
Cash Flows From Operating Activities:			
Receipts from Customers and Users	\$ 2,709,199	\$ 2,227,183	\$ 4,936,382
Payments for Goods and Services	(591,149)	(933,396)	(1,524,545)
Payments for Interfund Services	(465,502)	(465,502)	(931,004)
Payments for Wages and Benefits	(524,587)	(545,584)	(1,070,171)
Net Cash Provided by Operating Activities	<u>1,127,961</u>	<u>282,701</u>	<u>1,410,662</u>
Cash Flows From Noncapital Financing Activities:			
(Increase)/Decrease in Due from Other Funds	(379,054)	0	(379,054)
Increase/(Decrease) in Due to Other Funds	0	(29,385)	(29,385)
(Increase)/Decrease in Advances to Other Funds	0	50,000	50,000
Receipt from Town of Barre for HVAC Upgrade	0	102,165	102,165
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>(379,054)</u>	<u>122,780</u>	<u>(256,274)</u>
Cash Flows From Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(96,776)	(106,987)	(203,763)
Payment to State of Vermont for Big Dig Project	(80,000)	(66,128)	(146,128)
Issuance on Long-term Debt	1,215,500	2,023,750	3,239,250
Principal Paid on Long-Term Debt	(335,853)	(135,018)	(470,871)
Interest Paid on Long-Term Debt	(236,278)	(98,133)	(334,411)
Net Cash Provided by Capital and Related Financing Activities	<u>466,593</u>	<u>1,617,484</u>	<u>2,084,077</u>
Cash Flows From Investing Activities:			
Receipt of Interest and Dividends	13,487	23,614	37,101
Net Cash Provided by Investing Activities	<u>13,487</u>	<u>23,614</u>	<u>37,101</u>
Net Increase in Cash	1,228,987	2,046,579	3,275,566
Cash - July 1, 2019	<u>200</u>	<u>0</u>	<u>200</u>
Cash and Restricted Cash Equivalents - June 30, 2020	<u>\$ 1,229,187</u>	<u>\$ 2,046,579</u>	<u>\$ 3,275,766</u>
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Operating Income/(Loss)	\$ 545,907	\$ (225,260)	\$ 320,647
Depreciation	451,530	347,062	798,592
(Increase)/Decrease in Receivables	103,454	109,478	212,932
(Increase)/Decrease in Inventory	(21,095)	12,587	(8,508)
(Increase)/Decrease in Deferred Outflows of Resources Related to the City's Participation in VMERS	7,416	1,405	8,821
Increase/(Decrease) in Accounts Payable	(759)	(27,945)	(28,704)
Increase/(Decrease) in Accrued Payroll and Benefits Payable	4,933	4,100	9,033
Increase/(Decrease) in Compensated Absences Payable	18,442	25,721	44,163
Increase/(Decrease) in Net Pension Liability	20,523	37,497	58,020
Increase/(Decrease) in Deferred Inflows of Resources Related to the City's Participation in VMERS	(2,390)	(1,944)	(4,334)
Net Cash Provided by Operating Activities	<u>\$ 1,127,961</u>	<u>\$ 282,701</u>	<u>\$ 1,410,662</u>

The Water Fund disposed of capital assets with a cost and accumulated depreciation of \$183,406.

The Sewer Fund disposed of capital assets with a cost and accumulated depreciation of \$366,583.

There was \$135 of capital acquisitions in the Water Fund included in accounts payable at June 30, 2020.

There was \$12,157 of capital acquisitions in the Sewer Fund included in accounts payable at June 30, 2020.

The Water Fund received a vehicle with a book value of \$10,000 from the Fire Department.

The Sewer Fund received a vehicle with a book value of \$3,000 from the Police Department.

The accompanying notes are an integral part of this financial statement.

CITY OF BARRE, VERMONT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	Private-Purpose Trust Funds	Agency Fund <u>Local Emergency Planning Commission #5 Fund</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 90,786	\$ 1,791
Investments	17,271	0
Total Assets	\$ 108,057	\$ 1,791
<u>LIABILITIES AND NET POSITION</u>		
Liabilities:		
Due to Other Organizations	\$ 0	\$ 1,791
Total Liabilities	0	1,791
Net Position:		
Restricted:		
Held in Trust for Other Purposes	108,057	0
Total Net Position	108,057	0
Total Liabilities and Net Position	\$ 108,057	\$ 1,791

The accompanying notes are an integral part of this financial statement.

CITY OF BARRE, VERMONT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Private-Purpose Trust Funds
Additions:	
Investment Income	\$ <u>308</u>
Total Additions	<u>308</u>
Deductions:	
	<u>0</u>
Change in Net Position	308
Net Position - July 1, 2019	<u>107,749</u>
Net Position - June 30, 2020	\$ <u><u>108,057</u></u>

The accompanying notes are an integral part of this financial statement.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

The City of Barre, Vermont, (herein the "City") operates under a City Council/Manager form of government and provides the following services as authorized by its charter: public safety, highways and streets, health and social services, culture and recreation, community/economic development, public improvements, planning and zoning, water, wastewater treatment and general administrative services.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the City of Barre (the "City") conform to generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The following is a summary of the more significant accounting policies employed in the preparation of these financial statements.

A. The Financial Reporting Entity

This report includes all of the activity of the City of Barre, Vermont. The financial reporting entity consists of the primary government; organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. The primary government is financially accountable if an organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has a separately elected governing board; a governing board appointed by a higher level of government; or a jointly appointed board. Based on these criteria, there are no other entities that should be combined with the financial statements of the City.

B. Basis of Presentation

The accounts of the City are organized and operated on the basis of fund accounting. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled.

The basic financial statements of the City include both government-wide statements and fund financial statements. The focus of the government-wide statements is on reporting the operating results and financial position of the City as a whole and present a longer-term view of the City's finances. The focus of the fund financial statements is on reporting on the operating results and financial position of the most significant funds of the City and present a shorter-term view of how operations were financed and what remains available for future spending.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government, the City. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of activities between funds. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each segment of the City's business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular program or function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds.

The City reports on the following major governmental funds:

General Fund – This is the City's main operating fund. It accounts for all financial resources of the City except those accounted for in another fund.

Capital Improvement Fund – This fund accounts for the general capital expenditures of the City.

Special Fund – This fund accounts for the City's various grant activities.

The City reports on the following major enterprise funds:

Water Fund – This fund accounts for the operations of the Water Department.

Sewer Fund – This fund accounts for the operations of the Sewer Department.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Additionally, the City reports the following fund types:

Private-Purpose Trust Funds – These funds are used to report trust arrangements under which resources are to be used for the benefit of individuals and organizations. All investment earnings, and in some cases, the principal of these funds may be used to support these activities.

Agency Fund – This fund accounts for resources held by the City in a purely custodial capacity for other governments, private organizations or individuals.

C. Measurement Focus

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

Governmental fund financial statements are reported using the current financial resources measurement focus. This means that only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are generally reported on their balance sheets. Their reported fund balances (net current position) are considered a measure of available spendable resources, and are segregated into nonspendable; restricted; committed; assigned and unassigned amounts. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current position. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

D. Basis of Accounting

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

The government-wide, proprietary and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Governmental funds are reported using the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. “Measurable” means the amount of the transaction can be determined, and “available” means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers all revenues reported in governmental funds to be available if the revenues are collected within sixty (60) days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, certain compensated absences and other long-term liabilities which are recognized when the obligations are expected to be liquidated or are funded with expendable available financial resources.

General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of general long-term debt, acquisitions under capital leases and sales of capital assets are reported as other financing sources.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. It is the City’s policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and other grant requirements have been met.

Recognition of revenues on funds received in connection with loan programs are recognized when loans are awarded and expenses incurred in excess of current grants and program income. An offsetting deferred inflows of resources is recognized for all loans receivable. Loan repayment revenue is recognized as the loans are repaid.

E. Use of Estimates

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

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Equity

1. Cash

Cash balances of City funds are deposited with and invested by the City Treasurer. The City considers all short-term investments of ninety (90) days or less to be cash equivalents.

Excess cash of individual funds are shown as due from other funds and excess withdrawals are shown as due to other funds.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

2. Investments

The City invests in investments as allowed by State Statute. Investments with readily determinable fair values are reported at their fair values on the balance sheet. Unrealized gains and losses are included in revenue.

3. Receivables

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

4. Internal Balances

Activity between funds that are representative of lending/borrowing arrangements that are outstanding at the end of the fiscal year are referred to as “advances from/to other funds”. All other outstanding balances between funds are reported as “due from/to other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

5. Inventories and Prepaid Expenses/Items

Inventory quantities are determined by physical count and are valued at the lower of cost or market. Inventories in the governmental funds consist of vehicle fuel and materials and inventories in the proprietary funds consist of chemicals.

Certain payments to vendors reflect costs that are applicable to future accounting periods and are recorded as prepaid expenses/items.

Reported inventories and prepaid items of governmental funds in the fund financial statements are offset by a nonspendable fund balance as these are not in spendable form.

6. Pensions

For purposes of measuring the proportionate share of the net pension liability and the related deferred outflows/inflows of resources and pension expense, information about the fiduciary net position of the Vermont Municipal Employees’ Retirement System (VMERS) plan and additions to/deductions from the VMERS’ fiduciary net position have been determined on the same basis as they are reported by VMERS. 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.

CITY OF BARRE, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statements element, “deferred outflows of resources”, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. These amounts are deferred and recognized as an outflow of resources in the future periods to which the outflows are related.

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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the future periods to which the inflows are related or when the amounts become available.

8. Capital Assets

Capital assets are reported at actual cost or estimated historical cost based on appraisals or deflated current replacement cost if purchased or constructed. Contributed assets are recorded at their estimated acquisition value at the time received. Major outlays for capital assets and improvements are capitalized as constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets’ lives are not capitalized. Infrastructure assets are reported starting with fiscal year ended June 30, 2004. The City has elected to not report major general infrastructure assets retroactively.

Capital assets reported in the government-wide and proprietary fund financial statements are depreciated in order that the cost of these assets will be charged to expenses over their estimated service lives, generally using the straight-line method of calculating depreciation.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets are as follows:

	Capitalization Threshold	Estimated Service Life
Land	\$ 1,000	Not Depreciated
Works of Art	\$ 1,000	Not Depreciated
Buildings and Building Improvements	\$ 5,000	40 Years
Vehicles, Machinery, Equipment and Furniture	\$ 5,000	5-20 Years
Infrastructure	\$ 5,000	30-50 Years
Cemetery Developments	\$ 5,000	10-50 Years
Distribution and Collection Systems	\$ 5,000	33-100 Years

Capital assets are not reported in the governmental fund financial statements. Capital outlays in these funds are recorded as expenditures in the year they are acquired.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

9. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused leave time. The accrual for unused compensated absences time, based on current pay rates, is recorded in the government-wide and proprietary fund financial statements. The liability for unused compensated absences is not reported in the governmental fund financial statements. Payments for unused compensated absences are recorded as expenditures in the year they are paid.

10. Long-term Liabilities

Long-term liabilities include bonds, capital leases and notes payable and other obligations such as compensated absences and the City's net pension liability. Long-term liabilities are reported in the government-wide and proprietary fund financial statements. Governmental fund financial statements do not include any long-term liabilities as those statements use the current financial resources measurement focus and only include current liabilities on their balance sheets.

11. Fund Equity

Fund equity is classified based upon any restrictions that have been placed on those balances or any tentative plans management may have made for those balances. Restrictions of net position in the government-wide and proprietary fund financial statements represent amounts that cannot be appropriated or are legally restricted for a specific purpose by a grant, contract, or other binding agreement. Fund balances of governmental fund financial statements are classified as nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors, or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the City Council's intended use of the resources); and unassigned.

II. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND AND GOVERNMENT-WIDE STATEMENTS

Governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting, whereas government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. These differences in the measurement focus and basis of accounting lead to differences between the governmental fund financial statements and the government-wide financial statements as follows:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas government-wide statements report revenues when earned. Long-term expense differences arise because governmental funds report expenditures (including interest) using the modified accrual basis of accounting, whereas government-wide statements report expenses using the accrual basis of accounting.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Capital-related differences arise because governmental funds report capital outlays as current period expenditures, whereas government-wide statements report depreciation as an expense. Further, governmental funds report the proceeds from the sale of capital assets as other financing sources, whereas government-wide statements report the gain or loss from the sale of capital assets as revenue or expense.

Long-term debt transaction differences arise because governmental funds report issuance of long-term debt as other financing sources and principal payments as expenditures, whereas government-wide statements report those transactions as increases and decreases in liabilities, respectively.

Pension-related differences arise because governmental funds report the current year's required employer contributions as current period expenditures, whereas government-wide statements report those transactions as deferred outflows of resources. In addition, the accrual for the City's proportionate share of the net pension liability is recorded in the government-wide financial statements along with the related deferred inflows and outflows of resources.

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Budgets are approved at the annual City Meeting in March or at subsequent special meetings if the original budget is not approved. Any budget changes require voter approval. There were no budget amendments during the year.

B. Restatement of Net Position/Fund Balances

The net position of the governmental activities has been restated as a result of an understatement of the amount due to the State of Vermont. The effect of this restatement on the Statement of Net Position is to increase liabilities by \$189,509 and decrease net position by \$189,509. The effect on the 2019 Statement of Activities has not been determined. The net position of the governmental activities has been restated from \$30,776,735 to \$30,587,226.

The net position of the business-type activities has been restated as a result of an understatement of the amount due to the State of Vermont. The effect of this restatement on the Statement of Net Position is to increase liabilities by \$189,666 and decrease net position by \$189,666. The effect on the 2019 Statement of Activities has not been determined. The net position of the business-type activities has been restated from \$19,227,639 to \$19,037,973.

The fund balance of the Capital Improvement Fund has been restated as a result of an understatement of the amount due to the State of Vermont. The effect of this restatement on the Capital Improvement Fund Balance Sheet is to increase liabilities by \$189,509 and decrease fund balance by \$189,509. The effect on the 2019 Statement of Revenues, Expenditures and Changes in Fund Balance has not been determined. The fund balance of the Capital Improvement Fund has been restated from \$1,023,140 to \$833,631.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

The net position of the Water Fund has been restated as a result of an understatement of the amount due to the State of Vermont. The effect of this restatement on the Water Fund Statement of Fund Net Position is to increase liabilities by \$66,676 and decrease net position by \$66,676. The effect on the 2019 Statement of Revenues, Expenses and Changes in Fund Net Position has not been determined. The net position of the Water Fund has been restated from \$10,478,008 to \$10,411,332.

The net position of the Sewer Fund has been restated as a result of an understatement of the amount due to the State of Vermont. The effect of this restatement on the Sewer Fund Statement of Fund Net Position is to increase liabilities by \$122,990 and decrease net position by \$122,990. The effect on the 2019 Statement of Revenues, Expenses and Changes in Fund Net Position has not been determined. The net position of the Sewer Fund has been restated from \$8,749,631 to \$8,626,641.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The City's cash, cash equivalents and investments as of June 30, 2020 consisted of the following:

Restricted Cash and Cash Equivalents:	
Money Market Mutual Fund – U.S. Government Securities	\$3,855,827
Deposits held by Investment Company	<u>756,744</u>
Total Restricted Cash and Cash Equivalents	<u>4,612,571</u>
Unrestricted Cash and Cash Equivalents:	
Deposits with Financial Institutions	2,044,686
Deposits held by Investment Company	32,004
Certificate of Deposit	89,379
Cash on Hand	<u>975</u>
Total Unrestricted Cash and Cash Equivalents	<u>2,167,044</u>
Total Cash and Cash Equivalents	<u>6,779,615</u>
Investments:	
Certificates of Deposit	346,866
Mutual Funds – Mixed Holdings	<u>1,297,866</u>
Total Investments	<u>1,644,732</u>
Total Cash and Investments	<u>\$8,424,347</u>

The City has six (6) certificates of deposit at various banks ranging from \$17,271 to \$106,164 with interest rates ranging from 0.05% to 1.75%. All certificates of deposit mature during fiscal year 2021.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counter-party (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in possession of another party. The City does not have any policy to limit the exposure to custodial credit risk. The money market mutual funds and mutual funds are in the name of the City and are not exposed to custodial credit risk. The following table shows the custodial credit risk of the City's cash and certificates of deposit.

	<u>Book Balance</u>	<u>Bank Balance</u>
FDIC/SIPC Insured	\$ 974,321	\$ 974,329
Uninsured, Collateralized by U.S. Government Agencies Securities Held by the Pledging Financial Institution's Agent	1,788,614	1,820,241
Uninsured, Uncollateralized	<u>506,744</u>	<u>506,744</u>
Total	<u>\$3,269,679</u>	<u>\$3,301,314</u>

The difference between the book and the bank balance is due to reconciling items such as deposits in transit and outstanding checks.

The book balance is comprised of the following:

Restricted Cash – Deposits held by Investment Company	\$ 756,744
Cash – Deposits with Financial Institutions	2,044,686
Cash – Deposits held by Investment Company	32,004
Cash Equivalent – Certificate of Deposit	89,379
Investments – Certificates of Deposit	<u>346,866</u>
Total	<u>\$3,269,679</u>

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have any policy to limit the exposure to interest rate risk. The City's certificates of deposit are exempt from interest rate risk disclosure. The City's money market mutual funds and mutual funds are open-ended and, therefore, are also exempt from interest rate risk disclosure.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. These organizations look at a number of factors in order to evaluate the risk of an obligation and rate the risk. The rating allows the investor to make informed buying and selling decisions. The City does not have any policy to limit the exposure to credit risk. The City's certificates of deposit are exempt from the credit risk disclosure. The City's money market mutual funds and mutual funds are open-ended and, therefore, are also exempt from credit risk disclosure.

Concentration of Credit Risk

Concentration of credit risk is the risk that a large percentage of the City's investments are held within one security. The City does not have any limitations on the amount that can be invested in any one issuer. There are no investments in any one issuer, other than mutual funds, that represent more than 5% of total investments.

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board (GASB) Statement No. 72, "Fair Value Measurement and Application." The hierarchy is based on the valuation inputs used to measure fair value of the asset and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The City's certificates of deposit are not subject to fair value disclosures.

Level 1 – Unadjusted quoted prices for identical instruments in active markets

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

The City has the following fair value measurements as of June 30, 2020:

Description	Total	Fair Value Measurements Using:		
		Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Mutual Funds - Mixed Holdings	\$ 1,297,866	\$ 1,297,866	\$ 0	\$ 0
Total	\$ 1,297,866	\$ 1,297,866	\$ 0	\$ 0

CITY OF BARRE, VERMONT
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Restricted Cash and Cash Equivalents

In 2019, the City received a \$1.87 million bond from the Vermont Municipal Bond Bank for pool and infrastructure improvements and the purchase of capital equipment. Unspent bond proceeds and the interest earned are restricted for the related projects and purchases or may be used to pay down the bond. The amount restricted as of June 30, 2020 is \$756,744.

In 2020, the City received a \$3.96 million bond from the Vermont Municipal Bond Bank, of which \$160,750 is allocated to the Capital Improvement Fund for infrastructure improvements, \$560,000 is allocated to the Capital Improvement Fund for miscellaneous improvements and TIF District audit fees, \$1,215,500 is allocated to the Water fund for miscellaneous capital projects, \$1,123,750 is allocated to the Sewer Fund for miscellaneous capital projects and \$900,000 is allocated to the Sewer Fund for biosolid projects. Unspent bond proceeds and the interest earned are restricted for related projects and purchases or may be used to pay down the bond. The amount restricted as of June 30, 2020 is \$3,855,827.

B. Receivables

Receivables as of June 30, 2020, as reported in the statement of net position, net of applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Delinquent Taxes Receivable	\$ 297,351	\$ 0	\$ 297,351
Penalties and Interest Receivable	48,522	10,588	59,110
Local Option Sales Tax Receivable	29,632	0	29,632
Ambulance Receivable	105,947	0	105,947
Parking Tickets Receivable	565,447	0	565,447
Grants Receivable	209,883	148	210,031
Due from the State of Vermont	189,509	189,666	379,175
Due from Other Entities	2,558	138,000	140,558
Billed Services	66,533	468,051	534,584
Unbilled Services	0	704,100	704,100
Miscellaneous Receivables	11,635	0	11,635
Allowance for Doubtful Accounts - Taxes	(104,000)	0	(104,000)
Allowance for Doubtful Accounts - Ambulance	(49,000)	0	(49,000)
Allowance for Doubtful Accounts - Parking Tickets	(552,010)	0	(552,010)
Allowance for Doubtful Accounts - Cemetery Fees	(14,980)	0	(14,980)
Allowance for Doubtful Accounts - Miscellaneous Fees	(4,556)	0	(4,556)
Allowance for Doubtful Accounts - Water/Sewer	0	(2,700)	(2,700)
	<u>\$ 802,471</u>	<u>\$ 1,507,853</u>	<u>\$ 2,310,324</u>

CITY OF BARRE, VERMONT
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C. Notes Receivable

Notes receivable as of June 30, 2020 are as follows:

Note Receivable, Highgate Housing Limited Partnership, Interest at 1%, Deferred until July 31, 2042 at which Time all Principal and Interest is Due, Secured by Property and Building, Secured by Second Mortgage Subordinate to Only Senior Encumbrances	\$ 657,500
Note Receivable, Highgate Housing Limited Partnership, Interest at 0%, Deferred until July 31, 2042 at which Time all Principal is Due, Secured by Property and Building, Secured by Second Mortgage Subordinate to Only Senior Encumbrances	649,900
Note Receivable, Lincoln House, Interest at 4.5%, Principal and Interest Due Monthly Beginning December 1, 2028 Through December 1, 2058, Secured by Second Mortgage Subordinate to Only Senior Encumbrances	600,000
Note Receivable, 28 Granite Street Limited Liability Company, Interest at 0%, Deferred until February 26, 2060 or Upon Sale of Property or Change in Use at which Time all Principal is Due, Secured by Building, Secured by Second Mortgage Subordinate to Only Senior Encumbrances	294,820
Note Receivable, Summer Street Housing Limited Partnership, Interest at 0%, Deferred Until July 25, 2046 at which Time all Principal is Due, Secured by Real Property	790,000
Note Receivable, Capstone Community Action, Interest at 0%, Deferred until November 22, 2061 or Upon Sale of Property or Change in Use at which Time all Principal is Due, Secured by Real Property	<u>800,000</u>
Total	3,792,220
Less: Allowance for Doubtful Notes Receivable	<u>(3,792,220)</u>
Reported Value as of June 30, 2020	\$ <u> 0</u>

CITY OF BARRE, VERMONT
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D. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 3,467,013	\$ 0	\$ 0	\$ 3,467,013
Works of Art	297,184	11,000	0	308,184
Construction in Progress	269,243	314,144	222,936	360,451
Total Capital Assets, Not Being Depreciated	<u>4,033,440</u>	<u>325,144</u>	<u>222,936</u>	<u>4,135,648</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	8,872,726	0	147,644	8,725,082
Vehicles, Machinery, Equipment and Furniture	8,556,453	788,960	1,056,197	8,289,216
Infrastructure	30,968,208	1,632,829	71,121	32,529,916
Cemetery Developments	823,929	0	0	823,929
Totals	<u>49,221,316</u>	<u>2,421,789</u>	<u>1,274,962</u>	<u>50,368,143</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	2,890,328	154,788	132,010	2,913,106
Vehicles, Machinery, Equipment and Furniture	4,956,459	495,839	994,770	4,457,528
Infrastructure	8,586,914	1,246,630	49,016	9,784,528
Cemetery Developments	328,810	8,932	0	337,742
Totals	<u>16,762,511</u>	<u>1,906,189</u>	<u>1,175,796</u>	<u>17,492,904</u>
Total Capital Assets, Being Depreciated	<u>32,458,805</u>	<u>515,600</u>	<u>99,166</u>	<u>32,875,239</u>
Governmental Activities Capital Assets, Net	<u>\$ 36,492,245</u>	<u>\$ 840,744</u>	<u>\$ 322,102</u>	<u>\$ 37,010,887</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 319,011	\$ 0	\$ 0	\$ 319,011
Construction in Progress	97,439	147,157	0	244,596
Total Capital Assets, Not Being Depreciated	<u>416,450</u>	<u>147,157</u>	<u>0</u>	<u>563,607</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	459,559	0	0	459,559
Vehicles, Machinery, Equipment and Furniture	2,320,488	20,123	484,785	1,855,826
Distribution and Collection Systems	38,582,640	61,775	65,204	38,579,211
Totals	<u>41,362,687</u>	<u>81,898</u>	<u>549,989</u>	<u>40,894,596</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	414,015	4,833	0	418,848
Vehicles, Machinery, Equipment and Furniture	1,524,324	57,967	484,785	1,097,506
Distribution and Collection Systems	14,368,118	735,792	65,204	15,038,706
Totals	<u>16,306,457</u>	<u>798,592</u>	<u>549,989</u>	<u>16,555,060</u>
Total Capital Assets, Being Depreciated	<u>25,056,230</u>	<u>(716,694)</u>	<u>0</u>	<u>24,339,536</u>
Business-type Activities Capital Assets, Net	<u>\$ 25,472,680</u>	<u>\$ (569,537)</u>	<u>\$ 0</u>	<u>\$ 24,903,143</u>

CITY OF BARRE, VERMONT
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Depreciation was charged as follows:

Governmental Activities:		Business-type Activities:	
General Government	\$ 64,196	Water	\$ 451,530
Public Safety	358,786	Sewer	<u>347,062</u>
Public Works	1,404,705		
Culture and Recreation	61,940		
Cemetery	<u>16,562</u>		
 Total Depreciation Expense - Governmental Activities	 <u>\$ 1,906,189</u>	 Total Depreciation Expense - Business-type Activities	 <u>\$ 798,592</u>

E. Interfund Balances and Activity

The composition of interfund balances as of June 30, 2020 are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 0	\$ 1,451,526
Capital Improvement Fund	0	183,483
Special Fund	495,693	0
Non-Major Governmental Funds	56,059	267,881
Water Fund	1,615,749	0
Sewer Fund	<u>0</u>	<u>264,611</u>
	<u>\$ 2,167,501</u>	<u>\$ 2,167,501</u>

The composition of advances to/from other funds as of June 30, 2020 are as follows:

<u>Fund</u>	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
Sewer Fund	\$ 174,154	\$ 0
Capital Improvement Fund	<u>0</u>	<u>174,154</u>
	<u>\$ 174,154</u>	<u>\$ 174,154</u>

The purpose of the interfund loans were to finance a fire truck and the purchase of land and a building at Enterprise Aly. The terms of the fire truck loan require annual payments of \$35,000 plus interest for nine years beginning December 31, 2010 through December 31, 2019. The balance of the loan is \$0. The terms of the land and building purchase required annual payments of \$5,000 plus interest for four years beginning December 31, 2011 through December 31, 2015. The balance of the loan is \$174,154 and is currently due and payable, however, they City has budgeted to repay \$10,000 in FY2021. Interest is calculated on all the loans at the rate the Sewer Fund would have earned for that year. During 2020, interest was 0.35%.

CITY OF BARRE, VERMONT
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Interfund transfers during the year ended June 30, 2020 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Capital Improvement Fund	\$ 50,785	Fund Debt Service
General Fund	Capital Improvement Fund	27,240	Appropriation
General Fund	Special Fund	1,760	Fund Local Match
General Fund	Semprebon Fund	61,567	Transfer Annuity Earnings
Capital Improvement Fund	General Fund	188,171	Appropriation
Semprebon Fund	Capital Improvement Fund	100,000	Fund Project Expenses
Semprebon Fund	Special Fund	10,000	Fund Project Expenses
Semprebon Fund	Shade Tree Improvement Fund	5,000	Fund Project Expenses
Cemetery Trust Fund	General Fund	1,500	Transfer Interest Earnings - Flowers
Cemetery Trust Fund	General Fund	20,000	Transfer Interest Earnings
Governmental Activities	Water Fund	10,000	Transfer Vehicle from Fire Department
Governmental Activities	Sewer Fund	<u>3,000</u>	Transfer Vehicle from Police Department
Total		<u>\$ 479,023</u>	

F. Deferred Outflows of Resources

Deferred outflows of resources in the governmental activities consists of \$417,823 from the difference between the expected and actual experience, \$219,653 from the difference between the projected and actual investment earnings, \$107,673 from changes in assumptions and \$16,414 from changes in the City's proportional share of contributions related to the City's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$359,297 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the governmental activities is \$1,120,860.

Deferred outflows of resources in the business-type activities consists of \$42,078 from the difference between the expected and actual experience, \$22,121 from the difference between the projected and actual investment earnings, \$10,843 from changes in assumptions and \$1,653 from changes in the City's proportional share of contributions related to the City's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$41,046 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the business-type activities is \$117,741.

Deferred outflows of resources in the Water Fund consists of \$19,857 from the difference between the expected and actual experience, \$10,439 from the difference between the projected and actual investment earnings, \$5,117 from changes in assumptions and \$780 from changes in the City's proportional share of contributions related to the City's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$19,371 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the Water Fund is \$55,564.

Deferred outflows of resources in the Sewer Fund consists of \$22,221 from the difference between the expected and actual experience, \$11,682 from the difference between the projected and actual investment earnings, \$5,726 from changes in assumptions and \$873 from changes in the City's proportional share of contributions related to the City's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$21,675 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the Sewer Fund is \$62,177.

CITY OF BARRE, VERMONT
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G. Unearned Revenue

Unearned revenue in the General Fund consists of \$85,000 of rental property registration fees received in advance.

H. Deferred Inflows of Resources

Deferred inflows of resources in the governmental activities consists of \$27,876 from the difference between the expected and actual experience and \$62,254 from changes in the City's proportional share of contributions related to the City's participation in the Vermont Municipal Employee's Retirement System (VMERS). Total deferred inflows of resources in the governmental activities is \$90,130.

Deferred inflows of resources in the business-type activities consists of \$2,807 from the difference between the expected and actual experience and \$6,269 from changes in the City's proportional share of contributions related to the City's participation in the Vermont Municipal Employee's Retirement System (VMERS). Total deferred inflows of resources in the business-type activities is \$9,076.

Deferred inflows of resources in the General Fund consists of \$194,800 of delinquent property taxes, penalties, interest and related fees on those taxes, \$9,000 of ambulance fees and \$9,971 of miscellaneous revenue not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities. Total deferred inflows of resources in the General Fund is \$213,771.

Deferred inflows of resources in the Special Fund consists of \$172,607 of grant revenue not collected within sixty (60) days after year end as these would not be available to liquidate current liabilities.

Deferred inflows of resources in the Water Fund consists of \$1,325 from the difference between the expected and actual experience and \$2,958 from changes in the City's proportional share of contributions related to the City's participation in the Vermont Municipal Employee's Retirement System (VMERS). Total deferred inflows of resources in the Water Fund is \$4,283.

Deferred inflows of resources in the Sewer Fund consists of \$1,482 from the difference between the expected and actual experience and \$3,311 from changes in the City's proportional share of contributions related to the City's participation in the Vermont Municipal Employee's Retirement System (VMERS). Total deferred inflows of resources in the Sewer Fund is \$4,793.

I. Short-term Debt

The City has notes payable with various banks. The terms and activity are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Tax Anticipation Note, Community Bank, N.A., \$1,200,000 Available, Interest at 2.95%, Due and Paid June, 2020	\$ 0	\$1,200,000	\$1,200,000	\$ 0

CITY OF BARRE, VERMONT
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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Anticipation Note, Community National Bank, Capital Projects, \$1,700,000 Available, Interest at 1.59%, Due April, 2021	\$ <u>0</u>	\$ <u>100</u>	\$ <u>0</u>	\$ <u>100</u>
Total	\$ <u>0</u>	\$ <u>1,200,100</u>	\$ <u>1,200,000</u>	\$ <u>100</u>

J. Long-term Liabilities

The City issues general obligation bonds to provide resources for the acquisition and construction of major capital facilities and to refund prior issues. General obligation bonds have been issued for both general governmental and proprietary activities. Bonds are reported in governmental activities if the debt is expected to be repaid from general governmental revenues and in business-type activities if the debt is expected to be repaid from proprietary fund revenues.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. New bonds generally are issued as 10 to 20 year bonds. Refunding bonds are issued for various terms based on the debt service of the debt refunded.

The City enters into lease agreements as the lessee for the purpose of financing the acquisition of major pieces of equipment. These lease agreements qualify as capital lease obligations for accounting purposes (even though they may include clauses that allow for cancellation of the lease in the event the City does not appropriate funds in future years) and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date of the leases. Leases are reported in governmental activities if the debt is expected to be repaid from general governmental revenues and in business-type activities if the debt is expected to be repaid from proprietary fund revenues.

The City has other notes payable to finance various capital projects and purchase through local banks.

The United States Department of Agriculture (USDA) offers a number of low interest loan programs for various purposes. The City has borrowed money from the USDA, in the form of a note, for building improvements.

The State of Vermont offers a number of low and non-interest revolving loan programs to utilize for predetermined purposes. The City has borrowed money from the Vermont Special Environmental Revolving Fund for water and sewer projects.

It is the policy of the City to permit employees to accumulate earned but unused benefits. The accrual for unused compensated absences time, based on current pay rates, is recorded in the government-wide financial statements and proprietary fund financial statements.

CITY OF BARRE, VERMONT
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The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside to pay current employees, retirees, and beneficiaries. The accrual for the City's share of the net pension liability is recorded in the government-wide financial statements and proprietary fund financial statements.

Long-term liabilities outstanding as of June 30, 2020 were as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Civic Center Improvements, Principal Payments Ranging from \$30,000 to \$35,000 Payable on December 1 Annually, Interest Rates Ranging from 2.80% to 5.18% Payable on June 1 and December 1, Due December, 2021	\$ 90,000	\$ 0	\$ 30,000	\$ 60,000
Bond Payable, Vermont Municipal Bond Bank, Public Safety Building, Principal Payments of \$195,000 Payable on December 1 Annually, Interest Rates Ranging from 3.835% to 4.665% Payable on June 1 and December 1, Due December, 2026	1,560,000	0	195,000	1,365,000
Bond Payable, Vermont Municipal Bond Bank, BOR Improvements, Principal Payments Ranging from \$150,000 to \$200,000 Payable on November 15 Annually, Interest Rates Ranging from 1.391% to 3.861% Payable on May 15 and November 15, Due and Paid November, 2019	150,000	0	150,000	0
Bond Payable, Vermont Municipal Bond Bank, North Main Street Improvements, Principal Payments Ranging from \$85,000 to \$90,000 in Total, Payable on November 15 Annually, Interest Rates Ranging from 0.80% to 4.66% Payable on May 15 and November 15, Due November, 2031. This is the Governmental Activities Portion of the Bond	480,000	0	38,571	441,429

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, TIF District Bond, Principal Payments of \$88,000 Payable on November 1 Annually, Interest Ranging from 0.83% to 4.40% Payable on May 1 and November 1, Due November, 2040	\$1,936,000	\$ 0	\$ 88,000	\$1,848,000
Bond Payable, Vermont Municipal Bond Bank, Equipment and Infrastructure Improvements, Principal Payments of \$115,000 Payable on November 1 Annually, Interest Rates Ranging from 1.70% to 3.42% Payable on May 1 and November 1, Due November, 2028	1,150,000	0	115,000	1,035,000
Bond Payable, Vermont Municipal Bond Bank, Pool Refurbishment, Principal Payments of \$36,000 Payable on November 1 Annually, Interest Rates Ranging from 1.70% to 3.59% Payable on May 1 and November 1, Due November, 2038	720,000	0	36,000	684,000
Bond Payable, Vermont Municipal Bond Bank, Miscellaneous Capital Projects, Principal Payments of \$83,333 in Total, Payable on November 1 Annually, Interest Rates Ranging from 1.35% to 3.25% Payable on May 1 and November 1, Due November, 2049. This is the Governmental Activities Portion of the Bond	0	160,750	0	160,750
Bond Payable, Vermont Municipal Bond Bank, Capital Improvement Projects, Principal Payments of \$56,000 Payable on November 1 Annually, Interest Rates Ranging from 1.35% to 2.70% Payable on May 1 and November 1, Due November, 2030	0	560,000	0	560,000
Note Payable, United States Department of Agriculture, City Hall Roof Construction, Principal Payments of \$3,250 Payable on August 20 Annually, Interest at 4.375% Payable on February 20 and August 20, Due August, 2029	35,750	0	3,250	32,500

CITY OF BARRE, VERMONT
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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Note Payable, Northfield Savings Bank, Aerial Fire Truck, Principal Payments of \$37,500 Plus Interest Payable on November 2 Annually, Interest at 2.75%, Due November, 2036	\$ 675,000	\$ 0	\$ 37,500	\$ 637,500
Note Payable, Union Bank, Flood Mitigation Project, Principal Payments of \$25,000 Plus Interest Payable on October 25 Annually, Interest at 3.36%, Due October, 2037	475,000	0	25,000	450,000
Capital Lease Payable, Municipal Leasing Credit Corporation, Fire Truck, Interest at 3.3%, Principal and Interest Payments of \$50,552 Payable September 1 Annually, Due September, 2021	142,172	0	45,861	96,311
Capital Lease Payable, Municipal Leasing Consultants, Ambulance, Interest at 2.87%, Principal and Interest Payments of \$37,431 Payable December 27 Annually, Due December, 2023	<u>0</u>	<u>177,000</u>	<u>37,431</u>	<u>139,569</u>
Total Governmental Activities	<u>\$7,413,922</u>	<u>\$897,750</u>	<u>\$801,613</u>	<u>\$7,510,059</u>

Business-type Activities:

Water Fund:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Water System Construction, Principal Payments Ranging from \$206,236 to \$412,764 Payable on November 15 Annually, Interest at 3.93% Payable on May 15 and November 15, Due November, 2034	\$5,024,582	\$ 0	\$231,520	\$ 4,793,062
Bond Payable, State of Vermont Special Environmental Revolving Fund, Deep Rock Water System, Principal Payments of \$7,389 Payable on December 1 Annually, 0% Interest, Due December, 2035	125,615	0	7,389	118,226

CITY OF BARRE, VERMONT
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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, North Main Street Improvements, Principal Payments Ranging from \$85,000 to \$90,000 in Total, Payable on November 15 Annually, Interest Rates Ranging from 0.80% to 4.66% Payable on May 15 and November 15, Due November, 2031. This is the Water Fund Portion of the Bond	\$ 186,880	\$ 0	\$ 15,017	\$ 171,863
Bond Payable, State of Vermont Special Environmental Revolving Fund, Hydro Power Turbine, Principal Payments of \$9,298 Payable on July 1 Annually, 0% Interest, Due July, 2044	241,753	0	9,298	232,455
Bond Payable, State of Vermont Special Environmental Revolving Fund, Trestle Project, Principal Payments of \$13,778 Payable on November 1 Annually, 0% Interest, Due November, 2045	371,998	0	13,778	358,220
Bond Payable, Vermont Municipal Bond Bank, Miscellaneous Capital Projects, Principal Payments of \$83,333 in Total, Payable on November 1 Annually, Interest Rates Ranging from 1.35% to 3.25% Payable on May 1 and November 1, Due November, 2049. This is the Water Fund Portion of the Bond	0	1,215,500	0	1,215,500
Note Payable, Community National Bank, Orange Reservoir Spillway, Principal and Interest Payments of \$68,771 Payable on October 14 Annually, Interest at 2.25%, Due October, 2025	<u>440,886</u>	<u>0</u>	<u>58,851</u>	<u>382,035</u>
Total Water Fund	<u>6,391,714</u>	<u>1,215,500</u>	<u>335,853</u>	<u>7,271,361</u>

CITY OF BARRE, VERMONT
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Sewer Fund:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Sewer System Construction, Principal Payments Ranging from \$59,980 to \$117,692 Payable on November 15 Annually, Interest at 3.93% Payable on May 15 and November 15, Due November, 2034	\$ 885,895	\$ 0	\$ 89,857	\$ 796,038
Bond Payable, Vermont Municipal Bond Bank, North Main Street Improvements, Principal Payments Ranging from \$85,000 to \$90,000 in Total, Payable on November 15 Annually, Interest Rates Ranging from 0.80% to 4.66% Payable on May 15 and November 15, Due November, 2031. This is the Sewer Fund Portion of the Bond	453,120	0	36,411	416,709
Bond Payable, Vermont Municipal Bond Bank, Sewer Treatment Plant HVAC Project, Interest at 2%, Principal and Interest Payments of \$11,319 Payable on February 1 Annually, Due February, 2032	128,450	0	8,750	119,700
Bond Payable, Vermont Municipal Bond Bank, Miscellaneous Capital Projects, Principal Payments of \$83,333 in Total, Payable on November 1 Annually, Interest Rates Ranging from 1.35% to 3.25% Payable on May 1 and November 1, Due November, 2049. This is the Sewer Fund Portion of the Bond	0	1,123,750	0	1,123,750
Bond Payable, Vermont Municipal Bond Bank, Biosolid Projects, Principal Payments of \$45,000 Payable on November 1 Annually, Interest Rates Ranging from 1.35% to 3.123% Payable on May 1 and November 1, Due November, 2039	<u>0</u>	<u>900,000</u>	<u>0</u>	<u>900,000</u>
Total Sewer Fund	<u>1,467,465</u>	<u>2,023,750</u>	<u>135,018</u>	<u>3,356,197</u>
Total Business-type Activities	<u>\$7,859,179</u>	<u>\$3,239,250</u>	<u>\$470,871</u>	<u>\$10,627,558</u>

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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Changes in long-term liabilities during the year were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds Payable	\$ 6,086,000	\$ 720,750	\$ 652,571	\$ 6,154,179	\$ 563,929
Notes Payable	1,185,750	0	65,750	1,120,000	65,750
Capital Lease Payable	142,172	177,000	83,292	235,880	87,983
Due to the Vermont Granite Museum	164,566	0	71,663	92,903	73,741
Compensated Absences Payable	490,731	166,985	0	657,716	0
Net Pension Liability	<u>2,583,291</u>	<u>641,653</u>	<u>0</u>	<u>3,224,944</u>	<u>0</u>
Total Governmental Activities					
Long-term Liabilities	<u>\$ 10,652,510</u>	<u>\$ 1,706,388</u>	<u>\$ 873,276</u>	<u>\$ 11,485,622</u>	<u>\$ 791,403</u>
Business-type Activities					
General Obligation Bonds Payable	\$ 7,418,293	\$ 3,239,250	\$ 412,020	\$ 10,245,523	\$ 547,802
Notes Payable	440,886	0	58,851	382,035	60,176
Compensated Absences Payable	104,053	44,163	0	148,216	0
Net Pension Liability	<u>266,754</u>	<u>58,020</u>	<u>0</u>	<u>324,774</u>	<u>0</u>
Total Business-type Activities					
Long-term Liabilities	<u>\$ 8,229,986</u>	<u>\$ 3,341,433</u>	<u>\$ 470,871</u>	<u>\$ 11,100,548</u>	<u>\$ 607,978</u>

The Due to the Vermont Granite Museum originated from a Memorandum of Understanding dated July 12, 2001 which details the City's contribution to the capital improvements of the museum. This City makes monthly principal and interest payments of \$6,286 with an interest rate of 2.83%. This bond is being paid by the General Fund and matures in September, 2021.

Compensated absences and required contributions to the pension plans are paid by the applicable fund where the employee is charged.

The change in the net pension liability is allocated to the function where the employee is charged.

Debt service requirements to maturity are as follows:

Year Ending June 30	Governmental Activities			Business-type Activities	
	Principal	Interest	Capital Lease	Principal	Interest
2021	\$ 629,679	\$ 216,817	\$ 87,983	\$ 607,978	\$ 333,938
2022	629,679	207,278	87,983	622,636	287,817
2023	597,537	189,003	37,431	634,990	269,286
2024	597,537	170,053	37,431	650,769	250,120
2025	597,537	151,127	0	667,141	230,238
2026-2030	2,287,686	514,598	0	2,997,645	849,161
2031-2035	1,032,148	273,595	0	2,799,846	280,676
2036-2040	760,791	97,773	0	737,642	109,681
2041-2045	114,792	8,433	0	505,249	55,624
2046-2050	<u>26,793</u>	<u>2,177</u>	<u>0</u>	<u>403,662</u>	<u>18,639</u>
Total	7,274,179	1,830,854	250,828	10,627,558	2,685,180
Less: Imputed Interest	<u>0</u>	<u>0</u>	<u>(14,948)</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 7,274,179</u>	<u>\$ 1,830,854</u>	<u>\$ 235,880</u>	<u>\$ 10,627,558</u>	<u>\$ 2,685,180</u>

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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K. Fund Balances

GASB Statement No. 34, as amended by GASB Statement No. 54, requires fund balances reported on the governmental fund balance sheet to be classified using a hierarchy based primarily on the extent to which a government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balances are to be classified as: nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the City Council's intended use of the resources); and unassigned.

Special revenue funds are created only to report a revenue source (or sources) that is restricted or committed to a specified purpose, and that the revenue source should constitute a substantial portion of the resources reported in that fund. Special revenue funds cannot be used to accumulate funds that are not restricted or committed. These amounts will have to be reflected in the General Fund.

Amounts constrained to stabilization (rainy-day funds) will be reported as restricted or committed fund balance in the General Fund if they meet the other criteria for those classifications. However, stabilization is regarded as a specified purpose only if the circumstances or conditions that signal the need for stabilization (a) are identified in sufficient detail and (b) are not expected to occur routinely. The City does not have any stabilization arrangements.

Some governments create stabilization-like arrangements by establishing formal minimum fund balance policies. The City does not have any minimum fund balance policies.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, it is the City's policy to first consider restricted amounts to have been spent, followed by committed, assigned, and finally unassigned amounts.

The purpose for each major special revenue fund, including which specific revenues and other resources are authorized to be reported in each, are described in the following section.

The fund balances in the following funds are nonspendable as follows:

Major Funds

General Fund:

Nonspendable Prepaid Items	\$ 4,140
Nonspendable Inventory	<u>35,513</u>
Total General Fund	<u>39,653</u>

Capital Improvement Fund:

Nonspendable Inventory	<u>22,000</u>
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CITY OF BARRE, VERMONT
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Non-Major Funds

Permanent Fund:		
Nonspendable Cemetery Trust Fund Principal		\$ <u>815,738</u>
Total Nonspendable Fund Balances		\$ <u>877,391</u>

The fund balances in the following funds are restricted as follows:

Major Funds

Capital Improvement Fund:		
Restricted for Capital Improvements by Unspent Bond Proceeds (Source of Revenue is Bond Proceeds)		\$ <u>848,888</u>
Special Fund:		
Restricted for the Donation Expenditures of the Special Fund by Donations (Source of Revenue is Donations)		<u>13,739</u>

Non-Major Funds

Special Revenue Funds:		
Restricted for Community Development by Grant Agreements (Source of Revenue is Grant Revenue)		2,839
Restricted for Drug Forfeiture Expenditures by Agreement (Source of Revenue is Grant Revenue)		57,208
Restricted for Semprebbon Fund for the Bike Path and Other Non-Operating Expenditures by Bequest (Source of Revenue is Donations)		<u>505,979</u>
Total Special Revenue Funds		<u>566,026</u>

Capital Projects Funds:		
Restricted for the Bike Path and Other Non-Operating Expenditures by Bequest (Source of Revenue is Donations) – Designated for Shade Tree Improvement Expenditures		5,000
Restricted for TIF District Debt Service by Statute (Source of Revenue is Property Taxes)		<u>49,029</u>
Total Capital Projects Funds		<u>54,029</u>

Permanent Fund:		
Restricted for Cemetery Trust Fund Expenditures by Endowments and Trust Agreements		<u>240,952</u>
Total Non-Major Funds		<u>861,007</u>
Total Restricted Fund Balances		\$ <u>1,723,634</u>

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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The fund balances in the following funds are assigned as follows:

Major Funds

Special Fund:	
Assigned for Special Fund Expenses	\$105,003
Assigned for Recreation Programs	3,550
Assigned for Reappraisal Expenses	<u>367,923</u>
Total Special Fund	<u>476,476</u>

Non-Major Funds

Special Revenue Funds:	
Assigned for Special Recreation Program Expenses	23,055
Capital Projects Funds:	
Assigned for Shade Tree Improvement Expenditures	<u>21,190</u>
Total Non-Major Funds	<u>44,245</u>
Total Assigned Fund Balances	<u>\$520,721</u>

The unassigned deficit of \$38,548 in the General Fund will be funded with future property tax revenue.

The unassigned deficit of \$42,297 in the Capital Improvement Fund will be funded with future property tax revenue.

L. Restricted and Designated Net Position

The restricted net position of the City as of June 30, 2020 consisted of the following:

Governmental Activities:	
Restricted for the Donation Expenditures of the Special Fund by Donations	\$ 13,739
Restricted for Community Development by Grant Agreements	2,839
Restricted for Drug Forfeiture Expenditures by Agreement	57,208
Restricted for Semprebon Fund for the Bike Path and Other Non-Operating Expenditures by Bequest	510,979
Restricted for TIF District Debt Service by Charter	49,029
Restricted for Cemetery Trust Fund Expenditures by Endowments and Trust Agreements – Non-Expendable Portion	815,738
Restricted for Cemetery Trust Fund Expenditures by Endowments and Trust Agreements – Expendable Portion	<u>240,952</u>
Total Governmental Activities	<u>\$1,690,484</u>

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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The designated net position of the City as of June 30, 2020 consisted of the following:

Business-type Activities:

Water Fund:

Designated for Water Fund Capital Expenditures	\$ <u>469,176</u>
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Total Business-type Activities	\$ <u>469,176</u>
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The unrestricted deficit in the Sewer Fund of \$648,361 will be funded in future years with additional revenues.

The net position held in trust for various purposes in the City's Private-Purpose Trust Funds as of June 30, 2020 consisted of the following:

Private-Purpose Trust Funds:

Restricted for Keith Fund by Donations	\$ 17,271
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Restricted for Brusa Fund by Bequest	<u>90,786</u>
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Total Private-Purpose Trust Funds	\$ <u>108,057</u>
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V. OTHER INFORMATION

A. Benefit Plans

Defined Benefit Plan

The Vermont Municipal Employees' Retirement System (VMERS)

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for municipal and school district employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. As of June 30, 2019, the measurement date selected by the State of Vermont, the retirement system consisted of 379 participating employers.

The plan was established effective July 1, 1975, and is governed by Title 24, V.S.A. Chapter 125.

The general administration and responsibility for formulating administrative policy and procedures of the retirement system for its members and their beneficiaries is vested in the Board of Trustees consisting of five members. They are the State Treasurer, two employee representatives elected by the membership of the system, and two employer representatives-one elected by the governing bodies of participating employers of the system, and one selected by the Governor from a list of four nominees. The list of four nominees is jointly submitted by the Vermont League of Cities and Towns and the Vermont School Boards Association.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service.

Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

As of June 30, 2019, the measurement date selected by the State of Vermont, VMERS was funded at 80.35% and had a plan fiduciary net position of \$709,465,831 and a total pension liability of \$882,957,638 resulting in a net position liability of \$173,491,807. As of June 30, 2020, the City's proportionate share of this was 2.0460% resulting in a net pension liability of \$3,549,718. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. The City's proportion of 2.0460% was an increase of 0.0200 from its proportion measured as of the prior year.

For the year ended June 30, 2020, the City recognized pension expense of \$1,120,428.

As of June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 459,901	\$ 30,683
Difference between projected and actual investment earnings on pension assets	241,774	0
Changes in assumptions	118,516	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	18,067	68,523
City's required employer contributions made subsequent to the measurement date	<u>400,343</u>	<u>0</u>
	<u>\$ 1,238,601</u>	<u>\$ 99,206</u>

The deferred outflows of resources resulting from the City's required employer contributions made subsequent to the measurement date in the amount of \$400,323 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

CITY OF BARRE, VERMONT
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Year Ending <u>June 30</u>	
2021	\$297,671
2022	150,356
2023	168,698
2024	<u>122,327</u>
Total	<u>\$739,052</u>

Summary of System Provisions

Membership – Full time employees of participating municipalities. Municipalities can elect coverage under Groups A, B, C or D provisions. The City elected coverage under Groups B and C.

Creditable Service – Service as a member plus purchased service.

Average Final Compensation (AFC) – Group A – Average annual compensation during highest five (5) consecutive years. Groups B and C – Average annual compensation during highest three (3) consecutive years. Group D – Average annual compensation during highest two (2) consecutive years.

Service Retirement Allowance:

Eligibility – Group A – The earlier of age 65 with five (5) years of service or age 55 with thirty-five (35) years of service. Group B – The earlier of age 62 with five (5) years of service or age 55 with thirty (30) years of service. Groups C and D – Age 55 with five (5) years of service.

Amount – Group A – 1.4% of AFC times service. Group B – 1.7% of AFC times service as a Group B member plus percentage earned as a Group A member times AFC. Group C – 2.5% of AFC times service as a Group C member plus percentage earned as a Group A or B member times AFC. Group D – 2.5% of AFC times service as a Group D member plus percentage earned as a Group A, B or C member times AFC.

Maximum benefit is 60% of AFC for Groups A and B and 50% of AFC for Groups C and D. The previous amounts include the portion of the allowance provided by member contributions.

Early Retirement Allowance:

Eligibility – Age 55 with five (5) years of service for Groups A and B. Age 50 with twenty (20) years of service for Group D.

Amount – Normal allowance based on service and AFC at early retirement, reduced by 6% for each year commencement precedes normal retirement age for Groups A and B members, and payable without reduction to Group D members.

CITY OF BARRE, VERMONT
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Vested Retirement Allowance:

Eligibility – Five (5) years of service.

Amount – Allowance beginning at normal retirement age based on AFC and service at termination. The AFC is to be adjusted annually by one-half of the percentage change in the Consumer Price Index, subject to the limits on “Post-Retirement Adjustments”.

Disability Retirement Allowance:

Eligibility – Five (5) years of service and disability as determined by Retirement Board.

Amount – Immediate allowance based on AFC and service to date of disability; children’s benefit of 10% of AFC payable to up to three minor children (or children up to age 23 if enrolled in full-time studies) of a disabled Group D member.

Death Benefit:

Eligibility – Death after five (5) years of service.

Amount – For Groups A, B and C, reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor(s) benefit under disability annuity computed as of date of death. For Group D, 70% of the unreduced accrued benefit plus children’s benefit.

Optional Benefit and Death after Retirement – For Groups A, B and C, lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee. For Group D, lifetime allowance or 70% contingent annuitant option with no reduction.

Refund of Contribution – Upon termination, if the member so elects or if no other benefit is payable, the member’s accumulated contributions are refunded.

Post-Retirement Adjustments – Allowance in payment for at least one year increased on each January 1 by one-half of the percentage increase in Consumer Price Index but not more than 2% for Group A and 3% for Groups B, C and D.

Member Contributions – Group A – 2.75%. Group B – 5.125%. Group C – 10.25%. Group D – 11.60%.

Employer Contributions – Group A – 4.25%. Group B – 5.75%. Group C – 7.50%. Group D – 10.10%.

Retirement Stipend – \$25 per month payable at the option of the Board of Trustees.

Significant Actuarial Assumptions and Methods

Investment Rate of Return: 7.50%, net of pension plan investment expenses, including inflation.

Salary increases: 5% per year.

CITY OF BARRE, VERMONT
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Mortality:

Death in Active Service: Groups A, B and C – 98% of RP-2006 Mortality Table, blended 60% Blue Collar Employee and 40% Healthy Employee with generational projection using scale SSA-2017. Group D – 100% of RP-2006 Blue Collar Mortality Table with generational projection using scale SSA-2017.

Healthy Post-Retirement: Groups A, B and C – 98% of RP-2006 Mortality Table, blended 60% Blue Collar Annuitant and 40% Healthy Annuitant with generational projection using scale SSA-2017. Group D – 100% of RP-2006 Blue Collar Annuitant Table with generational projections using scale SSA-2017.

Disabled Post-Retirement: All Groups – RP-2006 Disabled Mortality Table with generational projection using scale SSA-2017.

Spouse's Age: Females three years younger than males.

Cost-of-Living Adjustments: 1.15% for Group A members and 1.30% for Groups B, C and D members. The January 1, 2019 and January 1, 2020 COLAs are 1.30% and 0.80%, respectively, for all groups.

Actuarial Cost Method: Entry age actuarial cost method. Entry age is the age at date of employment or, if date is unknown, current age minus years of service. Normal cost and actuarial accrued liability are calculated on an individual basis and are allocated by salary, with normal cost determined using the plan of benefits applicable to each participant.

Assets: The valuation is based on the market value of assets as of the valuation date, as provided by the System. The System uses an "actuarial value of assets" that differs from market value to gradually reflect year-to-year changes in the market value of assets in determine the contribution requirements.

Inflation: 2.50%

Long-term Expected Rate of Return:

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 are summarized in the following table:

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	29%	6.90%
US Equity – Large Cap	4%	5.94%
US Equity – Small/Mid Cap	3%	6.72%
Non-US Equity – Large Cap	5%	6.81%
Non-US Equity – Small Cap	2%	7.31%
Emerging Markets Debt	4%	4.26%
Core Bond	14%	1.79%
Non-Core Bonds	6%	3.22%
Short Quality Credit	5%	1.81%
Private Credit	5%	6.00%
US TIPS	3%	1.45%
Core Real Estate	5%	4.26%
Non-Core Real Estate	3%	5.76%
Private Equity	10%	10.81%
Infrastructure/Farmland	2%	4.89%

Discount Rate – The discount rate used to measure the total pension liability was 7.50%. In accordance with paragraph 29 of GASB 68, professional judgement was applied to determine that the System’s projected fiduciary net position exceeds projected benefit payments for current active and inactive members for all years. The analysis was based on the expectation that employers will continue to contribute at the rates set by the Board, which exceed the actuarially determined contribution, which is comprised on an employer normal cost payment and a payment to reduce the unfunded liability to zero by June 30, 2038. 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.

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (6.50%) or one percent higher (8.50%):

<u>1% Decrease (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
\$5,821,002	\$3,549,718	\$1,669,514

Additional Information

Additional information regarding the State of Vermont Municipal Employees’ Retirement System, including the details of the Fiduciary Net Position, is available upon request from the State of Vermont.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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Defined Contribution Plan

The City provides its employees a defined contribution pension plan. The City Pension Plan and Trust (the Plan) is administered by the City. Employees are eligible after reaching the age of 18 and completing two years of service. The Plan may be amended at any time, however, Plan assets may not be used for any other purpose and amendments may not cause any reduction in the amount credited to employee's accounts. The City's required contribution rate for fiscal year 2020 was 6% for employees with less than ten years of service, 8% for employees with more than ten but less than twenty years of service, and 12% for employees with more than twenty years of service. Employees are allowed to contribute after-tax earnings. Additionally, the City will contribute a match of one half of employee contributions up to a maximum of 4%. The City's total payroll was \$6,367,759 while its covered payroll for this plan was \$252,273. During the year ended June 30, 2020, the City contributed \$38,390 to the Plan. Employees are 20% percent vested after two years of services and the vested portion increases 20% each year until fully vested after six years of service. All of the investments are self-directed by each employee.

Deferred Compensation Plan

The City also offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The City is the administrator of the plan. The plan permits employees to defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City has no liability for losses under this plan, but does have the duty of due care that would be required of an ordinary prudent investor. All of the investments are self-directed by each employee.

B. Risk Management

The City is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains insurance coverage through the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund, Inc. covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this coverage in any of the past three fiscal years. The City must remain a member for a minimum of one year and may withdraw from the Fund after that time by giving sixty days notice. Fund underwriting and ratesetting policies have been established after consultation with actuaries. Fund members are subject to a supplemental assessment in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities.

The City is also a member of the Vermont League of Cities and Towns Employment Resource and Benefits Trust. The Trust is a nonprofit corporation formed to provide unemployment coverage and other employment benefits for Vermont municipalities and is owned by the participating members. The agreement does not permit the Trust to make additional assessments to its members. The City has only elected unemployment coverage with the Trust.

CITY OF BARRE, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020

C. Property Taxes

The City is responsible for assessing and collecting its own property taxes, as well as education property taxes for the State of Vermont. Property taxes are assessed based on property valuations as of April 1, the voter approved budgets and the State education property tax liability. Property taxes are collected four (4) times per year. During the tax year ended June 30, 2020, property taxes became due and payable on August 15, 2019, November 15, 2019, February 17, 2020 and May 15, 2020. The City assesses a 3% penalty when each installment becomes delinquent and an additional 5% penalty if any or all of the account remains delinquent after thirty days and interest is assessed at 1% per month or part thereof. Unpaid taxes become an enforceable lien on the property and such properties are subject to tax sale. The tax rates for 2020 were as follows:

	<u>Homestead</u>	<u>Non-Homestead</u>
Education	1.3002	1.6274
Municipal	1.8552	1.8552
Local Agreement	<u>0.0261</u>	<u>0.0261</u>
Total	<u>3.1815</u>	<u>3.5087</u>

D. Related Party Transactions

The City Manager is a stockholder at an engineering firm that the City utilizes for services. The amount paid to his engineering firm for the fiscal year ending June 30, 2020 was \$138,483.

E. Gift Annuity

The City receives an annual payment of approximately \$50,000 in perpetuity from a gift annuity established by the late Charles Semprebon through the Vermont Community Foundation. The City is the sole beneficiary of the annuity which there is a preference, but it is not limited, to be spent on improvements to infrastructure such as public roads, bridges and buildings.

F. Leases Receivable

The City has three agreements to lease a portion of the municipal auditorium facility for the purpose of installation and operation of a telecommunications transmitter site. The leases were initially for five years with options to extend varying from a total of eight years to fifteen years. Lease revenue totaled \$101,033 for the year ended June 30, 2020. The City received notice of termination from one of the lessees, effective November 1, 2019, which will be a reduction in lease revenue. The terms of the lease require payments of 30% of the gross monthly revenue.

G. Contingent Liabilities

The City is a participating member in the Central Vermont Solid Waste District. The City could be subject to a portion of the District's debt if the District experiences financial problems.

CITY OF BARRE, VERMONT
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The City participates in a number of federally assisted and state grant programs that are subject to audits by the grantors or their representatives. Accordingly, compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

H. Tax Increment Financing District

The City Council approved the establishment of a Tax Increment Financing (TIF) District on August 27, 2012 which was later approved by the Vermont Economic Progress Council (VEPC) on December 13, 2012. The TIF District allows the City to undertake and pay for infrastructure improvements that allows for increased economic and community development. The City cannot incur any new TIF District debt until each project or group of projects is approved by VEPC and then by the voters. The City approved TIF District projects totaling \$2,200,000 on November 5, 2013. TIF District debt will be paid by TIF revenue, however, is a general obligation of the City if TIF District revenues are not sufficient. With a TIF District, the value of properties within the District are frozen at the time the District is created. All property taxes generated by the original base continue to go to the municipal General Fund and the State Education Fund. For twenty (20) years from first debt incursion, the municipal and education property taxes generated by any "new" development are shared with 75% going to finance TIF District infrastructure debt and 25% going to the municipal General Fund and State Education Fund.

I. Property Tax Stabilization Agreements

STATEMENT OF PURPOSE

The primary objective of the Barre City Tax Stabilization Policy (the "Policy") is to promote the vitality and growth of the local economy while expanding the property tax base of the City for the long term public benefit of all residents and all taxpayers of the City of Barre. Tax stabilization is one method that can be utilized to help achieve this objective; and to this end, industrial and commercial enterprises and expanded multi-family residential real estate projects should be encouraged.

AUTHORITY

The City Council has the authority to adopt this Policy and has general authority to approve tax stabilization contracts relating to eligible projects involving the development of or renovations to industrial and commercial enterprises and expanded multi-family residential property (the "Project or "Projects") as application is made as a result of an action taken by the voters of the City of Barre at the Annual City Meeting held on March 3, 1987 and on March 1, 2005. Authority is further granted by the City of Barre Charter, Article II, Section 322, and by Vermont State Law Title 24 V.S.A. Ch. 75 §2741 et. seq.

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GENERAL CRITERIA

- A. Tax stabilization contracts (hereinafter referred to as the "Stabilization Agreement" or the "Agreement") will be awarded only to eligible Projects that substantially advance the purpose of the Policy after thorough consideration by the City Assessor and the City Manager and City Council of the municipal benefits of a Project as presented by an Applicant.
- B. In the event that an Applicant wants to have an Agreement go into effect on July 1st of the upcoming fiscal year, then a written application must be filed on or before April 1st in order to consummate an Agreement by June 1st. Applications will be accepted at any time during the year.
- C. Applications must be received and approved before construction can commence on the property.
- D. All Projects shall be reviewed by the City Council and shall substantially meet the following criteria where applicable to the particular property or Project:
 - 1. Creation of new jobs or retention of existing jobs. Greater weight will be given to jobs with higher quality wages and benefits;
 - 2. Creation of new and improved multi-family residential housing units;
 - 3. Elimination of blight, improvement of aesthetics, and preservation of historic structure;
 - 4. Removal of environmental hazards such as hazardous waste, noise, dust or odor;
 - 5. Impact on municipal services;
 - 6. The Project shall be consistent with the municipal plan.

CONTRACT TERMS

- A. Stabilization Agreements are negotiable, may be awarded at the discretion of the City Council, and shall be based on an incremental increase in taxes based on the increase in assessed value due to the project pursuant to a formula established by the City Assessor as presented below and as may be amended from time to time and approved by the City Council in order to carry out the intent of this Policy.

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- B. An approved Stabilization Agreement shall be for a specified number of years based on the amount of provable investment in the Project and shall adhere to the following schedule:
1. 1 to 3 years for \$50,000-\$99,999 improvements;
 2. 4 years for \$100,000-\$199,999 improvements;
 3. 5-10 years for a project involving improvements of \$200,000 or more with the length of time to be determined at the discretion of the City Council after consideration of the recommendation of the City Assessor and City Manager.
- C. The tax Stabilization Agreement will include all of the municipal portion of the taxes and a percentage of between 0 and 100 percent of the education portion of property taxes. Where appropriate, the Applicant will be encouraged to apply to the Vermont Economic Progress Council (VEPC) for abatement of the education portion of the tax stabilization for projects.
- D. The City Council reserves the right to identify City prioritized areas and can thus award a bonus percentage of the education portion of the taxes to the Applicant's Project.
- E. A termination and rollback clause shall be included in the Stabilization Agreement providing for termination of the Stabilization Agreement by the City Council and repayment of all taxes that would have been due in the absence of a Stabilization Agreement plus applicable penalties and interest proscribed below, required to be repaid effective as of the date of final determination made by the City Council hereunder. This termination and rollback clause may be invoked by the City Council upon the recommendation of the City Assessor or Barre City Manager in the event that during the term of the Stabilization Agreement:
1. There is a material change in the use of the property or in the nature of the Project;
 2. The property or Project is sold or transferred to any person other than the original Applicant or Applicants, is abandoned, moved, or the Applicant files for bankruptcy;
 3. The Project does not comply with the terms of the Agreement, or the Project is not completed as it was presented during the application process;
 4. Property tax payments on the property become delinquent;
 5. The Project fails to comply with any zoning, building, plumbing, electrical, life safety codes or ordinances;
 6. The Agreement is terminated at the request of the Project owner/Applicant.

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During the fiscal year ended June 30, 2020, the City has three (3) stabilization contracts. The municipal tax impact of the tax stabilization agreements was \$126,365, which was then spread over all other taxable properties. The impact on education taxes was \$110,849, which was taken into consideration when calculating the local agreement tax rate.

J. Big Dig Project

In May 2019, an agreement was reached between the Vermont Agency of Transportation and the City of Barre for the local share portion of the “Big Dig” project. The balance as of June 30, 2020 was \$1,479,175. As part of the agreement, the State and City will exchange checks in the amount of \$379,175 with the remaining payments as follows:

2021	\$332,000
2022	\$332,000
2023	\$332,128
2024	\$103,872

K. Subsequent Events

The City obtained a tax anticipation note with Community Bank, N.A. on July 1, 2020 for \$1,200,000. Interest is at 1.35% and is due June 30, 2021.

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
General Tax Revenue:			
General Taxes	\$ 8,454,190	\$ 8,367,641	\$ (86,549)
Washington County Tax	39,921	39,921	0
Voter Approved Assistance	161,901	159,401	(2,500)
Total General Tax Revenue	<u>8,656,012</u>	<u>8,566,963</u>	<u>(89,049)</u>
Business Licenses:			
Liquor Licenses	3,700	2,845	(855)
Miscellaneous Licenses	1,200	1,330	130
Restaurant Licenses	4,000	3,360	(640)
Taxicab and Taxidriver Licenses	1,500	756	(744)
Theater Licenses	250	252	2
Trucking, Rubbish and Waste	4,800	6,140	1,340
Entertainment	3,800	2,682	(1,118)
Video Machines	1,300	0	(1,300)
Total Business Licenses	<u>20,550</u>	<u>17,365</u>	<u>(3,185)</u>
Payment in Lieu of Taxes:			
VHFA	4,000	0	(4,000)
Capstone	22,000	22,948	948
Barre Housing	58,000	45,377	(12,623)
State of Vermont	220,000	240,961	20,961
Total Payment in Lieu of Taxes	<u>304,000</u>	<u>309,286</u>	<u>5,286</u>
Fees and Franchises:			
Animal Control Licenses	8,000	5,466	(2,534)
Tax Equalization	0	3,323	3,323
Hold Harmless	0	7,369	7,369
Act 68 Administration Revenue	12,000	15,601	3,601
Building and Zoning Fees	70,000	48,749	(21,251)
Vehicle Registrations	450	286	(164)
Delinquent Tax Collector Fee	42,000	24,152	(17,848)
Parking Meters	115,000	73,499	(41,501)
Green Mountain Passports	100	36	(64)
Parking Permits	75,000	86,061	11,061
Marriage Licenses	700	580	(120)
Miscellaneous Income	3,000	3,760	760
Police Department Fees	5,000	5,100	100
Recording Fees	60,000	73,059	13,059
Recreation Fees	1,000	868	(132)
Swimming Pool Admissions/DAY CAMP	12,500	8,591	(3,909)
Concession Fees	2,250	0	(2,250)
Vault Fees	1,000	883	(117)
Cell Tower Fees	110,760	75,775	(34,985)

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Fees and Franchises/(Cont'd):			
Fire Alarm Maintenance Fees	\$ 12,000	\$ 14,025	\$ 2,025
Rental Property Registration	100,000	110,025	10,025
Delinquent Rental Permits	1,000	2,591	1,591
Burn Permits	3,500	3,585	85
Credit Card Processing Fees	2,000	3,659	1,659
FD Public Report Fee	100	80	(20)
EV Charging Station	300	839	539
Time of Sale Inspection Fees	0	275	275
	<u>637,660</u>	<u>568,237</u>	<u>(69,423)</u>
Total Fees and Franchises			
Fines and Penalties:			
City Ordinance Violations	1,000	3,011	2,011
Penalties and Interest on Miscellaneous Fines	2,600	3,560	960
Delinquent Tax Interest	35,000	23,329	(11,671)
Traffic Court	3,000	8,008	5,008
Parking Tickets	55,000	24,780	(30,220)
	<u>96,600</u>	<u>62,688</u>	<u>(33,912)</u>
Total Fines and Penalties			
Federal and State Aid:			
Federal Stimulus Aid - COVID19 Ambulance	0	20,905	20,905
Highway Aid	137,000	140,322	3,322
Police Grants	0	1,404	1,404
Community Outreach Advocate	25,000	0	(25,000)
State SIU Grant	60,000	60,000	0
ODV Circle Grant	34,000	42,979	8,979
	<u>256,000</u>	<u>265,610</u>	<u>9,610</u>
Total Federal and State Aid			
Rents and Leases:			
Auditorium	60,000	43,452	(16,548)
Alumni Rental/lease	18,500	18,045	(455)
BOR Rents and Leases	180,000	146,386	(33,614)
Special Projects - Custodial Fees	11,000	7,822	(3,178)
Miscellaneous Rents	0	527	527
	<u>269,500</u>	<u>216,232</u>	<u>(53,268)</u>
Total Rents and Leases			

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Charges for Services:			
Williston FD	\$ 25,000	\$ 29,189	\$ 4,189
First Branch Ambulance Billing	6,000	10,758	4,758
White River Ambulance Billing	32,500	40,342	7,842
East Montpelier Ambulance Billing	6,650	11,439	4,789
Ambulance Inc - Lift Assist	550,000	485,324	(64,676)
Enterprise Funds	931,004	931,004	0
City Report - School	2,500	2,500	0
Operation/Maintenance - Jail	18,000	7,093	(10,907)
Dispatch Services	59,092	50,229	(8,863)
School Resource Officers	143,000	95,775	(47,225)
Special Projects - Police Detail	35,000	14,416	(20,584)
Special Projects - Fire Detail	5,000	6,937	1,937
Total Charges for Services	1,813,746	1,685,006	(128,740)
Cemetery Revenue:			
Rents	4,800	4,800	0
Flower Trust Fund Transfer	0	1,500	1,500
Trust Fund Interest	20,000	20,000	0
Entombments	1,100	2,850	1,750
Foundations	8,000	7,734	(266)
Interments	95,000	53,032	(41,968)
Markers/Post	3,000	1,736	(1,264)
Tent Setups	1,250	275	(975)
Lot Sales	21,000	27,252	6,252
Tours/DVD Sales	1,500	1,260	(240)
Total Cemetery Revenue	155,650	120,439	(35,211)
Miscellaneous Revenue:			
Interest Income	76,000	46,706	(29,294)
Limelite Settlement	4,800	4,800	0
Transfers from Other Funds	188,171	188,171	0
Semprebon Annuity	50,000	61,567	11,567
Total Miscellaneous Revenue	318,971	301,244	(17,727)
Total Revenues	12,528,689	12,113,070	(415,619)

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	<u>Budget</u>	<u>Actual</u>	Variance Favorable/ (Unfavorable)
Expenditures:			
Administrative and General:			
Personnel Services	\$ 8,000	\$ 4,949	\$ 3,051
FICA	612	449	163
City Council's Expenses	15,000	11,254	3,746
Telephone	150	177	(27)
Office Machines Maintenance	3,500	10,199	(6,699)
Annual Audit	34,700	30,953	3,747
City Report	5,000	8,171	(3,171)
Dues/Membership Fees	24,500	25,244	(744)
Holiday Observance	1,000	2,826	(1,826)
Postage Meter Contract	1,800	1,729	71
Advertising/Printing	9,000	10,443	(1,443)
Office Machines Supplies	3,000	2,249	751
Postage For Meter	18,000	15,619	2,381
Email Licenses	1,859	3,984	(2,125)
Printer/City Hall	9,414	2,340	7,074
	<u>135,535</u>	<u>130,586</u>	<u>4,949</u>
Total Administrative and General			
Assessor:			
Personnel Services	51,418	45,816	5,602
Overtime	250	0	250
FICA	3,933	3,434	499
Training and Development	400	0	400
Telephone	700	735	(35)
Equipment Purchase/SW Licenses	5,500	5,141	359
Advertising/Printing	300	0	300
Glasses	190	0	190
Office Supplies	1,000	165	835
Office Equipment	500	0	500
Computer/Equipment Software	500	0	500
Contracted Services	48,000	41,000	7,000
	<u>112,691</u>	<u>96,291</u>	<u>16,400</u>
Total Assessor			
Legal Expenses:			
Professional Services - City Attorney	20,000	24,018	(4,018)
Professional Services - Labor	10,000	1,600	8,400
Contract Negotiations	20,000	43,712	(23,712)
	<u>50,000</u>	<u>69,330</u>	<u>(19,330)</u>
Total Legal Expenses			

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	Budget	Actual	Variance Favorable/ (Unfavorable)
City Manager:			
Personnel Services	\$ 216,462	\$ 205,044	\$ 11,418
Overtime	0	255	(255)
FICA	15,794	15,576	218
IT Contract	1,000	1,108	(108)
Website Vendor Maintenance	1,000	1,250	(250)
Network HW/SW Expenses	0	1,279	(1,279)
Training/Development	2,250	358	1,892
Manager's Expenses	1,500	495	1,005
Secure Shred	700	1,125	(425)
Telephone	2,500	3,649	(1,149)
Dues/Memberships	1,500	284	1,216
Advertising/Printing	500	528	(28)
Car Maintenance and Supplies	2,664	2,564	100
Glasses	570	565	5
Office Supplies/Equipment	2,000	1,246	754
Computer Equipment/Software	0	665	(665)
	<u>248,440</u>	<u>235,991</u>	<u>12,449</u>
Total City Manager			
Finance:			
Personnel Services	253,990	215,843	38,147
Overtime Allowance	4,000	1,149	2,851
FICA	19,430	15,759	3,671
Consultant Fees	5,000	0	5,000
Training/Development	750	175	575
Travel/Meals	300	0	300
Telephone	700	1,259	(559)
Equipment Purchase Contract	1,500	1,505	(5)
Advertising/Printing	1,000	290	710
Computer Maintenance	750	0	750
Glasses	855	98	757
Computer Supplies	1,000	0	1,000
Computer Forms	2,500	1,385	1,115
Office Supplies	3,200	580	2,620
Computer Equipment/Software	2,500	5,762	(3,262)
Annual Disaster Recovery	550	563	(13)
	<u>298,025</u>	<u>244,368</u>	<u>53,657</u>
Total Finance			
Elections:			
Personnel Services	2,500	2,742	(242)
Program Materials	4,500	4,740	(240)
BCA Expenses	500	132	368
	<u>7,500</u>	<u>7,614</u>	<u>(114)</u>
Total Elections			

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Clerk's Office:			
Personnel Services	\$ 139,424	\$ 126,280	\$ 13,144
Overtime Allowance	1,000	118	882
FICA	10,742	9,289	1,453
Training/Development	750	265	485
Travel/Meals	200	0	200
Telephone	1,300	1,447	(147)
Maintenance of Office Machines	300	153	147
Recording of Records	14,000	12,458	1,542
Advertising (Taxes)	4,500	6,206	(1,706)
Credit Card Expenses	3,000	4,638	(1,638)
Glasses	570	547	23
Office Supplies/Equipment	2,000	981	1,019
Program Materials	4,500	2,939	1,561
Computer Equipment/Software	2,000	0	2,000
	<u>184,286</u>	<u>165,321</u>	<u>18,965</u>
Total Clerk's Office			
Animal Control:			
Professional Services/Fees	3,750	1,705	2,045
Humane Society Fees	7,500	8,478	(978)
	<u>11,250</u>	<u>10,183</u>	<u>1,067</u>
Total Animal Control			
Fire Department:			
Regular Salaries	1,323,263	1,285,426	37,837
Overtime Salaries	178,700	162,709	15,991
Part-Time Employees	18,300	1,647	16,653
Incentive Pay	10,943	0	10,943
FICA	109,522	106,479	3,043
Consulting Fees	1,000	386	614
Legal Claims Deductibles	0	13	(13)
Ambulance Revenue Tax	18,150	13,472	4,678
Training/Development	4,500	5,088	(588)
Travel/Meals	1,500	3,066	(1,566)
Telephone	3,500	7,626	(4,126)
Cell Phones	5,400	4,597	803
Dues/Membership Fees	4,000	1,737	2,263
Advertising/Printing	250	0	250
Physicals	5,000	1,600	3,400
Breathing Apparatus	15,000	15,836	(836)
Fire Hose	5,000	5,493	(493)
Radios/Pagers	5,000	0	5,000

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Fire Department/(Cont'd):			
Car and Truck Maintenance	\$ 35,000	\$ 38,705	\$ (3,705)
Radio Repair	3,000	2,206	794
Fire Alarm Maintenance	3,600	2,123	1,477
Secure Vacant Property	500	116	384
Fuel Oil	250	63	187
Vehicle Fuel	20,000	14,322	5,678
Clothing	12,000	6,452	5,548
Safety Equipment	15,000	17,482	(2,482)
Footwear	4,400	3,000	1,400
Glasses	3,790	1,061	2,729
Dry Cleaning	900	809	91
Furniture/Appliances	0	540	(540)
Office Supplies	5,500	4,787	713
Medical Supplies and Equipment	32,000	27,170	4,830
Oxygen	2,000	2,010	(10)
Training Supplies	1,000	595	405
Defibulator Preventative Maintenance	7,000	3,386	3,614
Fire Prevention Program	500	459	41
Fire Investigation Materials	0	0	0
Email Accounts	1,667	2,165	(498)
Computer Software/Office Equipment	22,000	18,965	3,035
Computer Replacement	2,150	0	2,150
Office Equipment Leases	4,500	0	4,500
Total Fire Department	1,885,785	1,761,591	124,194
City Hall Maintenance:			
Personnel Services	21,395	8,875	12,520
Overtime	0	334	(334)
FICA	1,637	678	959
City Hall Electricity	7,000	5,777	1,223
City Hall Solar Project	7,000	8,263	(1,263)
Rubbish Removal	2,800	2,725	75
Water Bills	3,500	2,538	962
City Hall Improvements/Repairs	35,000	21,828	13,172
Fuel Oil	40,000	39,184	816
Clothing	650	547	103
Footwear	84	0	84
Glasses	95	0	95
Custodial Supplies	3,500	2,532	968
Building/Grounds Supplies	1,500	1,124	376
Total City Hall Maintenance	124,161	94,405	29,756

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Meters:			
Personnel Services	\$ 76,191	\$ 45,496	\$ 30,695
FICA	5,829	3,151	2,678
Electricity - Merchant's Row	400	609	(209)
Electricity - Pearl	500	409	91
EVCS Maintenance	1,120	560	560
Towing Fees	0	4,145	(4,145)
Advertising/Printing	500	0	500
Pager/Air Cards	0	1,577	(1,577)
Meter Maintenance	2,250	1,899	351
Meter Coin Handling	1,200	0	1,200
Clothing	750	0	750
Footware	350	0	350
Glasses	185	370	(185)
Meter Supplies	4,500	1,627	2,873
Meter Systems - Software	4,000	3,442	558
Program Materials	1,300	966	334
Total Meters	<u>99,075</u>	<u>64,251</u>	<u>34,824</u>
Police Department:			
Regular Salaries	1,387,502	1,372,027	15,475
Overtime	144,000	310,162	(166,162)
Incentive Pay	3,700	3,900	(200)
Training Payroll	16,000	18,327	(2,327)
Part-Time Employees	20,000	9,160	10,840
FICA	115,170	126,356	(11,186)
Professional Services - Legal	1,000	0	1,000
Consultant Fees	1,500	0	1,500
Training and Development	7,000	3,809	3,191
Travel and Meals	2,500	315	2,185
Telephone	1,800	1,282	518
Computer Access	5,600	6,044	(444)
Office Machines Maintenance	7,000	7,000	0
Advertising	500	14	486
Lock-Up Meals	3,000	3,308	(308)
Physicals	500	0	500
Traffic Control	0	751	(751)
Pagers	5,000	8,627	(3,627)
Car Maintenance	20,000	27,236	(7,236)
Taser Assurance Program	4,176	4,176	0
Radio Repair	1,500	113	1,387
Vehicle Fuel	27,000	22,843	4,157
Clothing	6,000	4,911	1,089

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Police Department/(Cont'd):			
Equipment - Safety	\$ 5,000	\$ 5,078	\$ (78)
Ammunition	5,000	5,551	(551)
Footwear	2,000	1,246	754
Glasses	2,000	1,455	545
Dry Cleaning	6,000	3,876	2,124
Office Supplies	4,000	2,918	1,082
Training Supplies	1,000	1,030	(30)
Juvenile Program	500	0	500
K-9 Program	1,500	3,222	(1,722)
Investigations Materials	4,000	3,613	387
Lock-Up Materials	2,000	3,400	(1,400)
Computer Equipment/Software	3,500	2,555	945
Machine/Equipment Outlay	2,500	0	2,500
New Vehicle	0	25,595	(25,595)
Radios	500	415	85
Total Police Department	1,819,948	1,990,315	(170,367)
Dispatch Services:			
Regular Salaries	371,473	352,874	18,599
Overtime	87,250	77,619	9,631
Training Payroll	2,000	1,608	392
Dispatcher	500	0	500
Part-time Dispatchers	5,000	28,254	(23,254)
Incentive Pay	0	400	(400)
FICA	35,666	33,247	2,419
Training/Development	1,500	622	878
Travel/Meals	500	596	(96)
Telephone	3,900	4,246	(346)
Computer Access	8,400	9,066	(666)
Office Machine Maintenance	0	925	(925)
Radio Maintenance	3,000	4,002	(1,002)
Glasses	900	468	432
Office Supplies/Equipment	3,000	615	2,385
Dispatch Center	25,000	22,000	3,000
Computers	2,500	0	2,500
Total Dispatch Services	550,589	536,542	14,047
Street Lighting:			
Electricity	132,750	147,937	(15,187)
Pedway/Keith Ave Lot Lighting	0	1,214	(1,214)
Total Street Lighting	132,750	149,151	(16,401)
Traffic Control:			
Traffic Light Electricity	8,000	6,957	1,043
Traffic Light Maintenance	10,000	14,319	(4,319)
Total Traffic Control	18,000	21,276	(3,276)

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CITY OF BARRE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
Aldrich Library:	\$ 221,550	\$ 221,550	\$ 0
Facilities:			
Personnel Services	64,222	66,421	(2,199)
FICA	4,913	4,763	150
Electricity - 135N Main	1,600	1,028	572
Electricity - Pool	2,500	1,374	1,126
Water Bills	10,000	18,571	(8,571)
Car/Truck Maintenance	2,500	911	1,589
Field Maintenance	3,500	4,970	(1,470)
Pool and Building Maintenance	9,000	5,877	3,123
Fuel - 135N Main	500	2,712	(2,212)
Vehicle Fuel	3,500	2,952	548
Clothing	500	568	(68)
Footwear	168	119	49
Glasses	190	435	(245)
Office Supplies	700	571	129
Equipment Outlay	1,500	380	1,120
Total Facilities	<u>105,293</u>	<u>111,652</u>	<u>(6,359)</u>
Auditorium:			
Personnel Services	87,356	81,114	6,242
Overtime	1,000	256	744
FICA	6,759	5,747	1,012
Electricity	10,000	5,386	4,614
Solar Project	10,000	21,305	(11,305)
Rubbish Removal	6,800	6,452	348
Telephone	5,000	2,270	2,730
Water Bills	3,750	2,706	1,044
IT	3,000	3,830	(830)
Building and Grounds Maintenance	30,000	6,184	23,816
Annex Maintenance	10,000	4,479	5,521
Fuel Oil	30,000	39,385	(9,385)
Bottled Gas	600	452	148
Clothing	2,000	2,427	(427)
Footwear	336	149	187
Glasses	380	472	(92)
Custodial Supplies	4,000	4,426	(426)
Machines/Equipment Outlay	2,250	1,594	656
Total Auditorium	<u>213,231</u>	<u>188,634</u>	<u>24,597</u>

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CITY OF BARRE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
BOR:			
Personnel Services	\$ 91,299	\$ 60,402	\$ 30,897
Overtime	1,500	1,991	(491)
FICA	7,099	4,648	2,451
Electricity	28,000	22,284	5,716
Solar Project	28,000	31,957	(3,957)
Telephone	800	840	(40)
Water Bills	13,300	7,157	6,143
Building/Grounds Maintenance	25,000	32,324	(7,324)
Bottled Gas	11,250	11,847	(597)
Clothing	2,150	1,225	925
Footwear	336	0	336
Glasses	380	0	380
Custodial Supplies	2,000	1,892	108
Computer	1,800	1,654	146
Supplies/Equipment	8,500	11,306	(2,806)
Total BOR	221,414	189,527	31,887
Public Safety Building:			
Personnel Services	21,395	34,219	(12,824)
Overtime	1,000	206	794
FICA	1,713	2,521	(808)
Electricity	17,000	16,088	912
Solar Project	17,000	20,975	(3,975)
Rubbish Removal	3,400	3,067	333
Water Bills	3,400	3,956	(556)
Buildings and Grounds Maintenance	40,000	40,118	(118)
Fuel Oil	750	633	117
Bottled Gas	22,000	19,860	2,140
Clothing	550	504	46
Footwear	84	0	84
Glasses	95	0	95
Custodial Supplies	5,000	3,367	1,633
Total Public Safety Building	133,387	145,514	(12,127)

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CITY OF BARRE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
Recreation:			
Personnel Services	\$ 66,187	\$ 55,223	\$ 10,964
Skateguard Personnel	3,000	2,082	918
Pool Personnel	20,000	10,328	9,672
FICA	6,823	4,852	1,971
Training and Development	750	956	(206)
Travel and Meals	300	78	222
Telephone	1,200	959	241
Dues, Memberships and Fees	450	255	195
Advertising/Printing	750	0	750
Municipal Pool Supplies/Equipment	1,000	0	1,000
Tennis Court Equipment	500	0	500
Glasses	190	0	190
Office Supplies	600	126	474
Recreation Supplies	1,000	208	792
Recreation Programs	2,500	852	1,648
Total Recreation	105,250	75,919	29,331
Sanitary Landfill:			
Property Tax	3,017	2,868	149
CVSWMD Assessment	8,900	8,837	63
Total Sanitary Landfill	11,917	11,705	212
Engineering:			
Personnel Services	193,558	135,009	58,549
Overtime	4,000	13,221	(9,221)
FICA	15,113	11,334	3,779
Telephone	1,500	2,416	(916)
Office Machines Maintenance	1,000	37	963
Engineering Equipment	4,500	0	4,500
Vehicle Reimbursement	0	1,545	(1,545)
Radio Maintenance	500	398	102
Clothing	150	0	150
Footwear	336	150	186
Glasses	570	0	570
Office Supplies/Equipment	3,000	1,262	1,738
Computer Equipment/Software	2,500	0	2,500
Total Engineering	226,727	165,372	61,355

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CITY OF BARRE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
Permitting, Planning and Inspections:			
Personnel Services	\$ 108,076	\$ 96,099	\$ 11,977
Overtime	2,000	103	1,897
Contracted Services	10,000	340	9,660
FICA	8,268	7,005	1,263
Professional Services	10,000	0	10,000
Training and Development	1,000	0	1,000
Travel and Meals	500	42	458
Telephone	1,500	1,220	280
Dues and Memberships	250	80	170
Advertising and Printing	2,000	703	1,297
Glasses	380	0	380
Supplies and Equipment	1,800	1,174	626
Computer Equipment/Software	7,000	6,000	1,000
	<u>152,774</u>	<u>112,766</u>	<u>40,008</u>
Total Permitting, Planning and Inspections			
Community Development:			
Barre Partnership	65,000	65,000	0
Barre Area Development	51,744	51,744	0
Main Street Maintenance	0	988	(988)
	<u>116,744</u>	<u>117,732</u>	<u>(988)</u>
Total Community Development			
Public Parks and Trees - Maintenance:			
Electricity - Currier	800	865	(65)
Public Parks Tree Maintenance	5,000	17,089	(12,089)
	<u>5,800</u>	<u>17,954</u>	<u>(12,154)</u>
Total Public Parks and Trees - Maintenance			
Street Department - Public Works:			
Personnel Services	667,883	497,137	170,746
Overtime	0	59,745	(59,745)
FICA	51,093	41,977	9,116
Claims/Deductibles	0	1,000	(1,000)
Storm Water Permit	5,500	1,802	3,698
Training/Development	2,500	1,098	1,402
Travel and Meals	250	0	250
Electricity	9,500	9,308	192
Rubbish Removal	5,000	3,225	1,775
Telephone	1,500	1,969	(469)
Equipment Rental - Snow	0	4,134	(4,134)
Advertising/Printing	1,000	431	569
Snow Damage - Vehicles	1,000	1,915	(915)
Snow Damage - Plows	2,500	2,300	200
Barricades - Lights	500	2,578	(2,078)
Culverts - Surface Sewer	4,500	0	4,500

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CITY OF BARRE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
Street Department - Public Works/(Cont'd):			
Guardrails	\$ 3,500	\$ 1,975	\$ 1,525
Tiles and Grates - Surface Sewer	2,500	0	2,500
Radio Maintenance	3,500	398	3,102
Building and Grounds Maintenance	10,500	10,851	(351)
Equipment Maintenance - Streets	40,000	60,358	(20,358)
Snow Equipment Maintenance	17,500	21,938	(4,438)
Truck Maintenance - Streets	33,500	70,344	(36,844)
Bridge Maintenance	2,500	0	2,500
Street Painting	12,500	7,792	4,708
Yard Waste	3,500	814	2,686
Roadside Mowing	6,000	0	6,000
Tire Disposal Event	0	1,997	(1,997)
Fuel Oil - Garage	27,250	18,991	8,259
Vehicle Fuel	45,000	47,034	(2,034)
Bottled Gas	250	22	228
Vehicle Grease/Oil	7,000	5,789	1,211
Clothing	15,000	12,235	2,765
Equipment - Safety	4,500	1,460	3,040
Physical Exams	0	256	(256)
Footwear	2,840	1,693	1,147
Glasses	2,812	0	2,812
Office Expense	750	341	409
Small Tools	2,500	2,556	(56)
Supplies - Garage	7,500	28,401	(20,901)
Supplies	750	14,215	(13,465)
Supplies - NSC	1,500	2,726	(1,226)
Supplies - Surface Sewer	7,500	7,129	371
Supplies - Streets	7,500	5,415	2,085
Supplies - Snow Removal	10,000	4,439	5,561
Bituminous Hot Mix - Streets	12,500	9,428	3,072
Bituminous Hot Mix - Surface Sewer	2,500	67	2,433
Chloride - Snow	1,500	0	1,500
Concrete - SW	5,000	2,000	3,000
Gravel - Streets	1,500	0	1,500
Kold Patch - Streets	3,500	7,274	(3,774)
Salt	180,000	151,321	28,679
Sand	6,500	375	6,125
Street Signs	4,500	3,595	905
KA Parking Lot/SW Expense	0	7	(7)
Street Light Maintenance	2,500	208	2,292
Total Street Department - Public Works	1,250,878	1,132,063	118,815

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CITY OF BARRE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
Cemetery:			
Personnel Services	\$ 120,845	\$ 89,895	\$ 30,950
Overtime	750	669	81
FICA	9,302	6,918	2,384
Training/Development	150	0	150
Travel/Meals	100	0	100
Telephone	1,000	1,214	(214)
Electricity - Office	500	554	(54)
Veterans Flags	1,800	1,884	(84)
Car/Truck Maintenance	1,000	1,099	(99)
Building Maintenance - Hope	1,500	1,550	(50)
Mausoleum Maintenance	1,500	0	1,500
Building/Ground Maintenance - Elmwood	5,000	1,326	3,674
Contracted Services	1,000	1,415	(415)
Hope Maintenance	12,800	2,307	10,493
St Monica Maintenance	2,000	468	1,532
Grounds & Buildings	1,650	1,609	41
Equipment Maintenance	2,500	1,168	1,332
Fuel Oil - Office	750	685	65
Vehicle Fuel	5,000	3,250	1,750
Clothing	850	1,010	(160)
Equipment - Safety	200	73	127
Footwear	200	230	(30)
Glasses	190	236	(46)
Office Supplies/Equipment	1,000	0	1,000
Small Tools	750	444	306
Cemetery Trust	7,500	1,395	6,105
Foundations	3,000	1,522	1,478
Machine/Equipment	12,800	3,029	9,771
	<u>195,637</u>	<u>123,950</u>	<u>71,687</u>
Total Cemetery			
Insurance:			
Health Insurance	1,199,415	1,158,237	41,178
Life Insurance	43,381	41,337	2,044
Dental Insurance	35,286	34,436	850
	<u>1,278,082</u>	<u>1,234,010</u>	<u>44,072</u>
Total Insurance			
City Pension Plan:			
City Pension Plan	389,863	430,934	(41,071)
Consultant Services	2,500	2,765	(265)
	<u>392,363</u>	<u>433,699</u>	<u>(41,336)</u>
Total City Pension Plan			

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CITY OF BARRE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
Debt Service:			
Principal Payments	\$ 781,955	\$ 776,416	\$ 5,539
Interest Expense	232,171	212,594	19,577
Total Debt Service	1,014,126	989,010	25,116
General Insurance:			
Worker's Compensation	676,750	651,865	24,885
Unemployment Insurance	16,499	14,678	1,821
Property and Casualty	230,270	223,894	6,376
Total General Insurance	923,519	890,437	33,082
Washington County Tax:	39,921	39,921	0
Voter Approved Assistance:	161,901	154,501	7,400
Special Projects:			
Special Projects - FICA	0	1,713	(1,713)
Special Projects - Custodial	0	4,793	(4,793)
Special Projects - Fire	0	5,892	(5,892)
Special Projects - Police	0	13,835	(13,835)
Total Special Projects	0	26,233	(26,233)
Miscellaneous Expenses:			
Granite Museum Parking Lot	14,800	15,270	(470)
Barre Energy Committee	1,000	1,000	0
Miscellaneous Expenses	0	1,065	(1,065)
BCJC Stipend	6,840	6,840	0
VT VYCC	7,500	7,500	0
Semprebton VCF Trust Projects	50,000	61,567	(11,567)
COVID-19 Expenses	0	22,380	(22,380)
Total Miscellaneous Expenses	80,140	115,622	(35,482)
Total Expenditures	12,528,689	12,074,986	453,703
Excess of Revenues Over Expenditures	\$ 0	38,084	\$ 38,084
Fund Balance/(Deficit) - July 1, 2019		(36,979)	
Fund Balance - June 30, 2020		\$ 1,105	

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CITY OF BARRE, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 VMERS DEFINED BENEFIT PLAN
 JUNE 30, 2020

	2020	2019	2018	2017	2016	2015
Total Plan Net Pension Liability	\$ 173,491,807	\$ 140,675,892	\$ 121,155,552	\$ 128,696,167	\$ 77,095,810	\$ 9,126,613
City's Proportion of the Net Pension Liability	2.0460%	2.0260%	2.1746%	2.1660%	2.0470%	2.1321%
City's Proportionate Share of the Net Pension Liability	\$ 3,549,718	\$ 2,850,045	\$ 2,634,616	\$ 2,787,514	\$ 1,578,171	\$ 194,585
City's Covered Employee Payroll	\$ 5,886,247	\$ 5,895,306	\$ 5,427,897	\$ 5,407,251	\$ 5,023,450	\$ 4,477,325
City's Proportionate Share of the Net Pension Liability as a Percentage of City's Covered Employee Payroll	60.3053%	48.3443%	48.5384%	51.5514%	31.4161%	4.3460%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.35%	82.60%	83.64%	80.95%	87.42%	98.32%

Notes to Schedule

Benefit Changes: None.

Changes in Assumptions and Methods: None.

Fiscal year 2015 was the first year of implementation, therefore, only six years are shown.

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CITY OF BARRE, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 VMERS DEFINED BENEFIT PLAN
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution (Actuarially Determined)	\$ 400,343	\$ 442,236	\$ 406,810	\$ 355,127	\$ 329,193	\$ 286,143
Contributions in Relation to the Actuarially Determined Contributions	<u>400,343</u>	<u>442,236</u>	<u>406,810</u>	<u>355,127</u>	<u>329,193</u>	<u>286,143</u>
Contribution Excess/(Deficiency)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City's Covered Employee Payroll	\$ 5,886,247	\$ 5,895,306	\$ 5,427,897	\$ 5,407,251	\$ 5,023,450	\$ 4,477,325
Contributions as a Percentage of City's Covered Employee Payroll	6.801%	7.501%	7.495%	6.568%	6.553%	6.391%

Notes to Schedule

Valuation Date: June 30, 2019

Fiscal year 2015 was the first year of implementation, therefore, only six years are shown.

CITY OF BARRE, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2020

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery Trust Fund	Total
<u>ASSETS</u>				
Cash	\$ 202,155	\$ 94,770	\$ 8,426	\$ 305,351
Investments	586,011	0	1,041,450	1,627,461
Due from Other Funds	<u>23,055</u>	<u>26,190</u>	<u>6,814</u>	<u>56,059</u>
Total Assets	<u>\$ 811,221</u>	<u>\$ 120,960</u>	<u>\$ 1,056,690</u>	<u>\$ 1,988,871</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Due to Other Funds	\$ <u>222,140</u>	\$ <u>45,741</u>	\$ <u>0</u>	\$ <u>267,881</u>
Total Liabilities	<u>222,140</u>	<u>45,741</u>	<u>0</u>	<u>267,881</u>
Fund Balances:				
Nonspendable	0	0	815,738	815,738
Restricted	566,026	54,029	240,952	861,007
Assigned	<u>23,055</u>	<u>21,190</u>	<u>0</u>	<u>44,245</u>
Total Fund Balances	<u>589,081</u>	<u>75,219</u>	<u>1,056,690</u>	<u>1,720,990</u>
Total Liabilities and Fund Balances	<u>\$ 811,221</u>	<u>\$ 120,960</u>	<u>\$ 1,056,690</u>	<u>\$ 1,988,871</u>

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CITY OF BARRE, VERMONT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery Trust Fund	Total
Revenues:				
Property Taxes	\$ 0	\$ 169,666	\$ 0	\$ 169,666
Intergovernmental	368,230	0	0	368,230
Charges for Services	0	0	6,814	6,814
Investment Income	14,040	3,272	40,291	57,603
Total Revenues	382,270	172,938	47,105	602,313
Expenditures:				
General Government	0	7,041	0	7,041
Public Safety	382,846	0	0	382,846
Culture and Recreation	14,984	0	0	14,984
Capital Outlay:				
General Government	0	402,284	0	402,284
Culture and Recreation	26,921	0	0	26,921
Debt Service:				
Principal	0	88,000	0	88,000
Interest	0	65,674	0	65,674
Total Expenditures	424,751	562,999	0	987,750
Excess/(Deficiency) of Revenues Over Expenditures	(42,481)	(390,061)	47,105	(385,437)
Other Financing Sources/(Uses):				
Transfers In	61,567	5,000	0	66,567
Transfers Out	(115,000)	0	(21,500)	(136,500)
Total Other Financing Sources/(Uses)	(53,433)	5,000	(21,500)	(69,933)
Net Change in Fund Balances	(95,914)	(385,061)	25,605	(455,370)
Fund Balances - July 1, 2019	684,995	460,280	1,031,085	2,176,360
Fund Balances - June 30, 2020	\$ 589,081	\$ 75,219	\$ 1,056,690	\$ 1,720,990

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CITY OF BARRE, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2020

	Community Development Fund	Drug Forfeiture Fund	Special Recreation Programs Fund	Semprebou Fund	Justice Center Fund	Total
<u>ASSETS</u>						
Cash	\$ 2,839	\$ 2,295	\$ 0	\$ 197,021	\$ 0	\$ 202,155
Investments	0	61,837	0	524,174	0	586,011
Due from Other Funds	<u>0</u>	<u>0</u>	<u>23,055</u>	<u>0</u>	<u>0</u>	<u>23,055</u>
Total Assets	<u>\$ 2,839</u>	<u>\$ 64,132</u>	<u>\$ 23,055</u>	<u>\$ 721,195</u>	<u>\$ 0</u>	<u>\$ 811,221</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Due to Other Funds	<u>\$ 0</u>	<u>\$ 6,924</u>	<u>\$ 0</u>	<u>\$ 215,216</u>	<u>\$ 0</u>	<u>\$ 222,140</u>
Total Liabilities	<u>0</u>	<u>6,924</u>	<u>0</u>	<u>215,216</u>	<u>0</u>	<u>222,140</u>
Fund Balances:						
Restricted	2,839	57,208	0	505,979	0	566,026
Assigned	<u>0</u>	<u>0</u>	<u>23,055</u>	<u>0</u>	<u>0</u>	<u>23,055</u>
Total Fund Balances	<u>2,839</u>	<u>57,208</u>	<u>23,055</u>	<u>505,979</u>	<u>0</u>	<u>589,081</u>
Total Liabilities and Fund Balances	<u>\$ 2,839</u>	<u>\$ 64,132</u>	<u>\$ 23,055</u>	<u>\$ 721,195</u>	<u>\$ 0</u>	<u>\$ 811,221</u>

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CITY OF BARRE, VERMONT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Community Development Fund	Drug Forfeiture Fund	Special Recreation Programs Fund	Semprebou Fund	Justice Center Fund	Total
Revenues:						
Intergovernmental	\$ 0	\$ 0	\$ 0	\$ 0	\$ 368,230	\$ 368,230
Investment Income	<u>0</u>	<u>4,618</u>	<u>0</u>	<u>9,422</u>	<u>0</u>	<u>14,040</u>
Total Revenues	<u>0</u>	<u>4,618</u>	<u>0</u>	<u>9,422</u>	<u>368,230</u>	<u>382,270</u>
Expenditures:						
Public Safety	0	14,616	0	0	368,230	382,846
Culture and Recreation	0	0	0	14,984	0	14,984
Capital Outlay:						
Culture and Recreation	<u>0</u>	<u>0</u>	<u>0</u>	<u>26,921</u>	<u>0</u>	<u>26,921</u>
Total Expenditures	<u>0</u>	<u>14,616</u>	<u>0</u>	<u>41,905</u>	<u>368,230</u>	<u>424,751</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(9,998)</u>	<u>0</u>	<u>(32,483)</u>	<u>0</u>	<u>(42,481)</u>
Other Financing Sources/(Uses):						
Transfers In	0	0	0	61,567	0	61,567
Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>(115,000)</u>	<u>0</u>	<u>(115,000)</u>
Total Other Financing Sources/(Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(53,433)</u>	<u>0</u>	<u>(53,433)</u>
Net Change in Fund Balances	0	(9,998)	0	(85,916)	0	(95,914)
Fund Balances - July 1, 2019	<u>2,839</u>	<u>67,206</u>	<u>23,055</u>	<u>591,895</u>	<u>0</u>	<u>684,995</u>
Fund Balances - June 30, 2020	<u>\$ 2,839</u>	<u>\$ 57,208</u>	<u>\$ 23,055</u>	<u>\$ 505,979</u>	<u>\$ 0</u>	<u>\$ 589,081</u>

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CITY OF BARRE, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2020

	Shade Tree Improvement Fund	TIF Fund	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 94,770	\$ 94,770
Due from Other Funds	26,190	0	26,190
Total Assets	\$ 26,190	\$ 94,770	\$ 120,960
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Due to Other Funds	\$ 0	\$ 45,741	\$ 45,741
Total Liabilities	0	45,741	45,741
Fund Balances:			
Restricted	5,000	49,029	54,029
Assigned	21,190	0	21,190
Total Fund Balances	26,190	49,029	75,219
Total Liabilities and Fund Balances	\$ 26,190	\$ 94,770	\$ 120,960

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CITY OF BARRE, VERMONT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NON-MAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Shade Tree Improvement Fund	TIF Fund	Total
Revenues:			
Property Taxes	\$ 0	\$ 169,666	\$ 169,666
Investment Income	0	3,272	3,272
Total Revenues	<u>0</u>	<u>172,938</u>	<u>172,938</u>
Expenditures:			
General Government	0	7,041	7,041
Capital Outlay:			
General Government	0	402,284	402,284
Debt Service:			
Principal	0	88,000	88,000
Interest	0	65,674	65,674
Total Expenditures	<u>0</u>	<u>562,999</u>	<u>562,999</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(390,061)</u>	<u>(390,061)</u>
Other Financing Sources:			
Transfers In	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Other Financing Sources	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Net Change in Fund Balances	5,000	(390,061)	(385,061)
Fund Balances - July 1, 2019	<u>21,190</u>	<u>439,090</u>	<u>460,280</u>
Fund Balances - June 30, 2020	<u>\$ 26,190</u>	<u>\$ 49,029</u>	<u>\$ 75,219</u>

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CITY OF BARRE, VERMONT
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION
 PRIVATE-PURPOSE TRUST FUNDS
 JUNE 30, 2020

	<u>Keith Fund</u>	<u>Brusa Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 0	\$ 90,786	\$ 90,786
Investments	<u>17,271</u>	<u>0</u>	<u>17,271</u>
Total Assets	<u>\$ 17,271</u>	<u>\$ 90,786</u>	<u>\$ 108,057</u>
<u>LIABILITIES AND NET POSITION</u>			
Liabilities:	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Position:			
Restricted:			
Held in Trust for Other Purposes	<u>17,271</u>	<u>90,786</u>	<u>108,057</u>
Total Net Position	<u>17,271</u>	<u>90,786</u>	<u>108,057</u>
Total Liabilities and Net Position	<u>\$ 17,271</u>	<u>\$ 90,786</u>	<u>\$ 108,057</u>

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CITY OF BARRE, VERMONT
 COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
 PRIVATE-PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>Keith Fund</u>	<u>Brusa Fund</u>	<u>Total</u>
Additions:			
Investment Income	\$ <u>244</u>	\$ <u>64</u>	\$ <u>308</u>
Total Additions	<u>244</u>	<u>64</u>	<u>308</u>
Deductions:	<u>0</u>	<u>0</u>	<u>0</u>
Change in Net Position	244	64	308
Net Position - July 1, 2019	<u>17,027</u>	<u>90,722</u>	<u>107,749</u>
Net Position - June 30, 2020	\$ <u><u>17,271</u></u>	\$ <u><u>90,786</u></u>	\$ <u><u>108,057</u></u>

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CITY OF BARRE, VERMONT
 COMBINING BALANCE SHEET
 SPECIAL FUND
 JUNE 30, 2020

	Special Fund	Donations Fund	Reappraisal Fund	Total
<u>ASSETS</u>				
Receivables	\$ 182,992	\$ 0	\$ 0	\$ 182,992
Due from Other Funds	<u>110,481</u>	<u>17,289</u>	<u>367,923</u>	<u>495,693</u>
Total Assets	<u>\$ 293,473</u>	<u>\$ 17,289</u>	<u>\$ 367,923</u>	<u>\$ 678,685</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 14,692	\$ 0	\$ 0	\$ 14,692
Accrued Payroll and Benefits Payable	<u>1,171</u>	<u>0</u>	<u>0</u>	<u>1,171</u>
Total Liabilities	<u>15,863</u>	<u>0</u>	<u>0</u>	<u>15,863</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Grants	<u>172,607</u>	<u>0</u>	<u>0</u>	<u>172,607</u>
Total Deferred Inflows of Resources	<u>172,607</u>	<u>0</u>	<u>0</u>	<u>172,607</u>
<u>FUND BALANCES</u>				
Restricted	0	13,739	0	13,739
Assigned	<u>105,003</u>	<u>3,550</u>	<u>367,923</u>	<u>476,476</u>
Total Fund Balances	<u>105,003</u>	<u>17,289</u>	<u>367,923</u>	<u>490,215</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 293,473</u>	<u>\$ 17,289</u>	<u>\$ 367,923</u>	<u>\$ 678,685</u>

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CITY OF BARRE, VERMONT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 SPECIAL FUND
 FOR THE YEAR ENDED JUNE 30, 2020

	Special Fund	Donations Fund	Reappraisal Fund	Total
Revenues:				
Intergovernmental	\$ 392,272	\$ 0	\$ 28,246	\$ 420,518
Charges for Services	0	1,750	0	1,750
Permits, Licenses and Fees	22,771	0	0	22,771
Donations	<u>123,836</u>	<u>1,066</u>	<u>0</u>	<u>124,902</u>
Total Revenues	<u>538,879</u>	<u>2,816</u>	<u>28,246</u>	<u>569,941</u>
Expenditures:				
General Government	30,151	0	2,240	32,391
Public Safety	40,285	0	0	40,285
Public Works	68,923	0	0	68,923
Culture and Recreation	2,655	100	0	2,755
Capital Outlay:				
General Government	264,213	0	0	264,213
Public Safety	50,000	0	0	50,000
Debt Service:				
Principal	21,429	0	0	21,429
Interest	<u>414</u>	<u>0</u>	<u>0</u>	<u>414</u>
Total Expenditures	<u>478,070</u>	<u>100</u>	<u>2,240</u>	<u>480,410</u>
Excess of Revenues Over Expenditures	<u>60,809</u>	<u>2,716</u>	<u>26,006</u>	<u>89,531</u>
Other Financing Sources:				
Transfers In	<u>11,760</u>	<u>0</u>	<u>0</u>	<u>11,760</u>
Total Other Financing Sources	<u>11,760</u>	<u>0</u>	<u>0</u>	<u>11,760</u>
Net Change in Fund Balances	72,569	2,716	26,006	101,291
Fund Balances - July 1, 2019	<u>32,434</u>	<u>14,573</u>	<u>341,917</u>	<u>388,924</u>
Fund Balances - June 30, 2020	<u>\$ 105,003</u>	<u>\$ 17,289</u>	<u>\$ 367,923</u>	<u>\$ 490,215</u>

See Disclaimer in Accompanying Independent Auditor's Report.

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Fred Duplessis, CPA
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VT Lic. #92-000180

Independent Auditor's 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"

City Council
City of Barre
City Hall, 6 North Main Street, Suite 2
Barre, Vermont 05641

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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Barre, Vermont as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Barre, Vermont's basic financial statements and have issued our report thereon dated December 7, 2020.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as described in the accompanying Schedule of Findings and Deficiencies in Internal Control, we identified a certain deficiency that we consider to be a material weakness.

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 City of Barre, Vermont's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Deficiencies in Internal Control as Item 2020-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Barre, Vermont'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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under "Government Auditing Standards".

We also noted certain other matters that we reported to the management of the City of Barre, Vermont in a separate letter dated December 7, 2020.

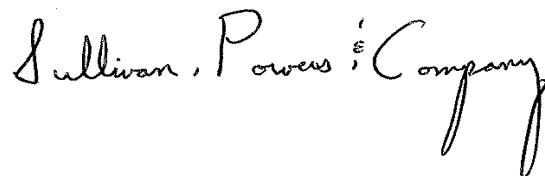
City of Barre, Vermont's Response to Deficiencies in Internal Control

The City of Barre, Vermont's response to the deficiency in internal control identified in our audit is included with the accompanying Schedule of Findings and Deficiencies in Internal Control. The City of Barre, Vermont's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 City of Barre, Vermont'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 City of Barre, Vermont's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

December 7, 2020
Montpelier, Vermont
VT Lic. #92-000180



CITY OF BARRE, VERMONT
SCHEDULE OF FINDINGS AND DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2020

Deficiencies in Internal Control:

Material Weaknesses:

2020-1 Accounts Payable

Criteria:

Internal controls should be in place to ensure that expenditures are recorded in the proper fiscal year. Expenditures should be recorded based on the timing of services provided or when goods are received.

Condition:

The City did not have controls in place to ensure all accounts payable were recorded in the proper fiscal year. The City did not record payables for work completed on capital projects during the fiscal year.

Cause:

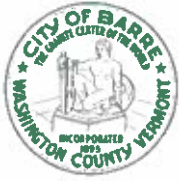
Unknown.

Effect:

The City's accounts payable balance was incorrect.

Recommendation:

We recommend that the City review their end of the year invoices more thoroughly in order to properly classify expenditures to the correct fiscal year.



City of Barre, Vermont

"Granite Center of the World"

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Barre, VT 05641
Telephone (802) 476-0240
FAX (802) 476-0264

December 8, 2020

Sullivan, Powers & Company
77 Barre Street
Montpelier, Vermont 05601

Please find the response to the material weaknesses below.

Deficiencies in Internal Control:

Material Weaknesses:

2020-1 Accounts Payable

Criteria: Internal controls should be in place to ensure that expenditures are recorded in the proper fiscal year. Expenditures should be recorded based on the timing of services provided or when goods are received.

Condition: The City did not have controls in place to ensure all accounts payable were recorded in the proper fiscal year. The City did not record payables for work completed on capital projects during the fiscal year.

Cause: Unknown.

Effect: The City's accounts payable balance was incorrect.

Recommendation: We recommend that the City review their end of the year invoices more thoroughly in order to properly classify expenditures to the correct fiscal year.

Response: The City recognizes this issue and to ensure all payables are entered into the correct fiscal year, the finance department will implement internal controls to review posted payables.

Dawn
Monahan

Digitally signed by Dawn
Monahan
DN: cn=Dawn Monahan, o=
City of Barre,
email=FinanceDirector@barre.vt
.org, c=US
Date: 2020.12.08 14:45:04 -0500

Dawn Monahan
Finance Director

Date: 12/8/2020