

CITY OF BARRE, VERMONT

AUDIT REPORT

JUNE 30, 2021

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AUDIT REPORT
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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, 2021, 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, 2021 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

As described in Note I.F. to the financial statements, effective June 30, 2021, the City implemented GASB Statement No. 84, "Fiduciary Activities".

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.

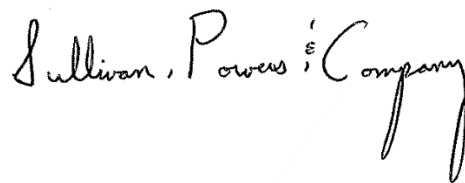
Other Information

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 3, 2021 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 3, 2021
Montpelier, Vermont
VT Lic. #92-000180

A handwritten signature in black ink that reads "Sullivan, Powers & Company". The signature is written in a cursive style with a large, stylized 'S' at the beginning and a long, sweeping tail at the end.

CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

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, 2021. 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 \$49,978,259 (total net position). Of this amount, a combined unrestricted net position is a surplus of \$516,167 and \$1,940,418 represent resources that are subject to external restrictions on how they may be used.
- The City's total net position increased by \$991,791. Of this amount, net position of the governmental activities increased by \$755,261 and net position attributable to business-type activities increased by \$236,530.
- The City's total outstanding long-term debt increased by \$372,176 during the current fiscal year. Additions to long-term debt totaled \$1,700,000 offset by principal payments of \$1,327,824.

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 \$4,156,952, an increase of \$1,116,051 in comparison with the prior year.
- The General Fund fund balance increased by \$568,116 in FY21. 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. However, Barre City management team was able to manage against these revenue shortfalls by trimming expenditures, recognizing position vacancy savings, and significant reduction in salt usage. This acute monitoring of the financial conditions allowed for the City to end the fiscal year with a net a surplus of \$569,221.
- The Capital Improvement Fund had an ending fund balance of \$1,398,751 of which \$911,506 is restricted for bond-approved projects, \$97,900 is non-spendable inventory, leaving an assigned balance of \$389,345 which include the net sale proceeds of \$73,128 for the property located in East Montpelier.
- The Special Fund had a current year deficit of (\$191,458) leaving an ending fund balance of \$298,757. This deficit is mainly attributable to the timing of the pool expenditures and receipt of the grant funding.
- The Non-Major Governmental Funds had a current year combined surplus of \$169,233 leaving an ending fund balance of \$1,890,223. Of which, \$816,887 is Non-Expendable Cemetery Trust Funds, \$1,029,107 is restricted by external sources, and \$44,229 is assigned for Special Recreation Programs and Shade Tree Improvements.

CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

- The Water Fund had a current year increase of \$505,903.
- The Sewer Fund operating expenses continue to exceed the revenues, resulting a current year loss of (\$269,373).

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, 2021

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 fiduciary fund financial statements 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, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Governmental Activities		Business-type Activities		Total Government	
	2021	2020	2021	2020	2021	2020
Assets:						
Cash & Investments	\$ 6,064,430	\$ 5,038,733	\$ 3,023,498	\$ 3,275,766	\$ 9,087,928	\$ 8,314,499
Receivables, Net	875,460	802,471	1,629,065	1,507,853	2,504,525	2,310,324
Other Assets	(1,442,223)	(1,463,639)	1,877,623	1,836,256	435,400	372,617
Capital Assets	37,906,594	37,010,887	24,503,561	24,903,143	62,410,155	61,914,030
Total Assets	<u>43,404,261</u>	<u>41,388,452</u>	<u>31,033,747</u>	<u>31,523,018</u>	<u>74,438,008</u>	<u>72,911,470</u>
Deferred Outflow of Resources	<u>1,820,801</u>	<u>1,120,860</u>	<u>200,565</u>	<u>117,741</u>	<u>2,021,366</u>	<u>1,238,601</u>
Liabilities:						
Other Liabilities	1,032,104	1,009,743	1,152,868	1,468,484	2,184,972	2,478,227
Non-Current Liabilities	13,348,477	11,485,622	10,764,044	11,100,548	24,112,521	22,586,170
Total Liabilities	<u>14,380,581</u>	<u>12,495,365</u>	<u>11,916,912</u>	<u>12,569,032</u>	<u>26,297,493</u>	<u>25,064,397</u>
Deferred Inflow of Resources	<u>165,403</u>	<u>90,130</u>	<u>18,219</u>	<u>9,076</u>	<u>183,622</u>	<u>99,206</u>
Net Position:						
Net Investment in Capital Assets	30,492,021	30,349,716	17,029,653	17,400,194	47,521,674	47,749,910
Restricted	1,940,418	1,690,484	-	-	1,940,418	1,690,484
Unrestricted/(Deficit)	<u>(1,753,361)</u>	<u>(2,116,383)</u>	<u>2,269,528</u>	<u>1,662,457</u>	<u>516,167</u>	<u>(453,926)</u>
Total Net Position	<u>\$ 30,679,078</u>	<u>\$ 29,923,817</u>	<u>\$ 19,299,181</u>	<u>\$ 19,062,651</u>	<u>\$ 49,978,259</u>	<u>\$ 48,986,468</u>

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 \$49,978,259. The City's total net position is split between governmental activities of \$30,679,078 and business-type activities net position of \$19,299,181.

The largest portion of the City's net position, 95.1%, 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.

\$1,940,418 (3.9%) of the City's net position is restricted. These assets are subject to external restrictions on their use. The remaining is unrestricted surplus of \$516,167.

CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

	Governmental Activities		Business-type Activities		Total Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,610,403	\$ 1,726,170	\$ 5,253,824	\$ 4,723,450	\$ 6,864,227	\$ 6,449,620
Operating Grants & Contributions	1,001,052	735,580	-	-	1,001,052	735,580
Capital Grants & Contributions	1,023,622	538,413	-	-	1,023,622	538,413
General Revenues:						
Property & Local Option Taxes	10,250,173	9,706,318	-	-	10,250,173	9,706,318
Other	248,434	117,242	2,052	50,101	250,486	167,343
Total Revenues	14,133,684	12,823,723	5,255,876	4,773,551	19,389,560	17,597,274
Expenses:						
General Government	2,172,038	1,884,107	-	-	2,172,038	1,884,107
Public Safety	7,149,111	7,300,124	-	-	7,149,111	7,300,124
Public Works	2,794,837	2,931,590	-	-	2,794,837	2,931,590
Culture and Recreation	739,435	761,134	-	-	739,435	761,134
Community Development	111,416	117,732	-	-	111,416	117,732
Cemetery	167,987	214,714	-	-	167,987	214,714
Interest on Long-term Debt	243,599	277,731	-	-	243,599	277,731
Water	-	-	2,424,783	2,299,620	2,424,783	2,299,620
Sewer	-	-	2,594,563	2,449,253	2,594,563	2,449,253
Total Expenses	13,378,423	13,487,132	5,019,346	4,748,873	18,397,769	18,236,005
Increase(Decrease) in Net Position	755,261	(663,409)	236,530	24,678	991,791	(638,731)
Beginning Net Position	29,923,817	30,587,226	19,062,651	19,037,973	48,986,468	49,625,199
Ending Net Position	<u>\$30,679,078</u>	<u>\$29,923,817</u>	<u>\$19,299,181</u>	<u>\$19,062,651</u>	<u>\$49,978,259</u>	<u>\$48,986,468</u>

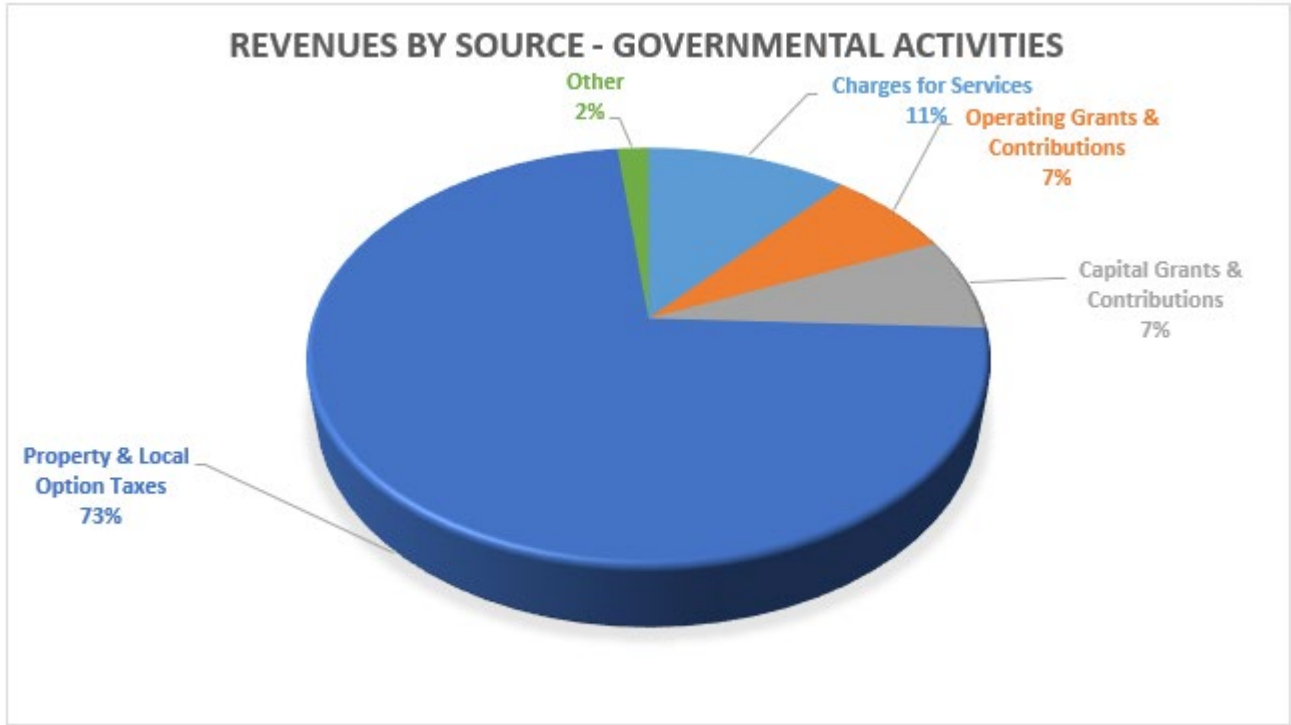
Governmental activities

Governmental activities increased the City's net position by \$755,261 for the fiscal year ended June 30, 2021. Key elements of the change are as follows:

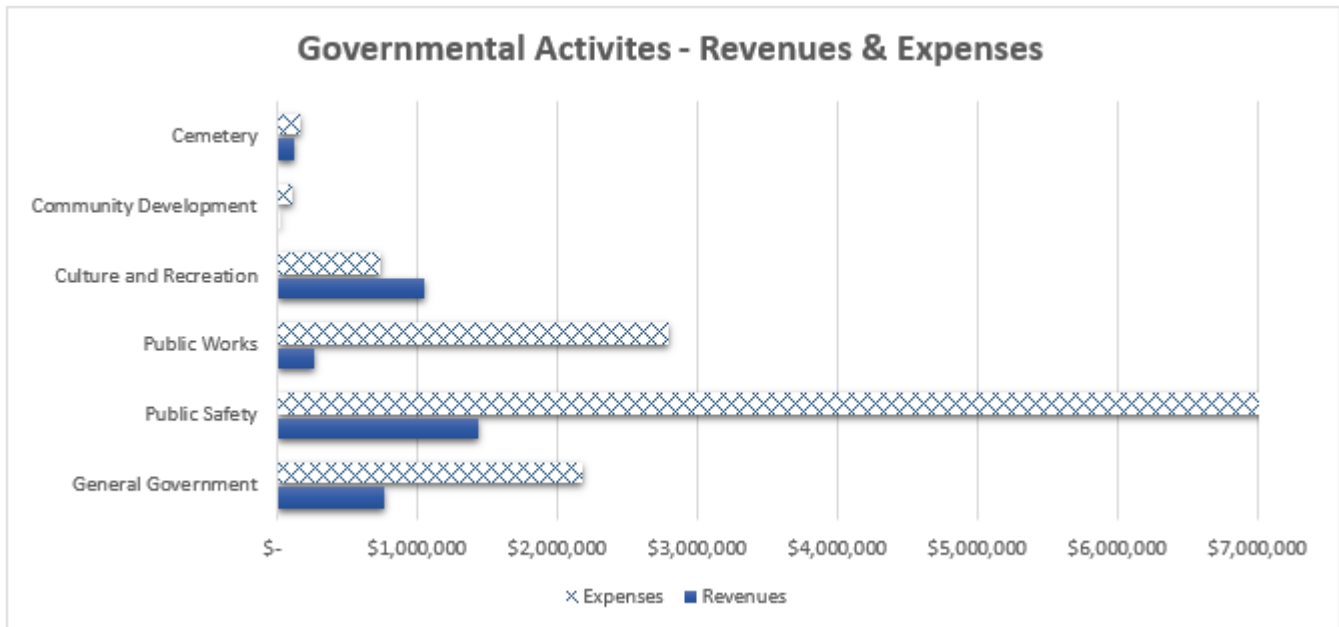
- Total governmental revenues increased by 10.2% or \$1,309,961 from 2020 to 2021. This was driven by an increase in property taxes, charges for services and capital grants and contributions.
- Property and local option tax revenues increased 5.6% or \$543,855 from the previous year as a result of an increase of 3.17% in the property tax rate to \$1.9141 per \$100 of assessed value from \$1.8552 in 2020.
- Total governmental activities' expenses decreased by (.81%) or (\$108,709) from 2020 to 2021. Public safety remains the largest category of expenses year over year. Public safety expenses at the end of 2021 were \$7,149,111, which is a decrease of (2.1%) or (\$151,013).

CITY OF BARRE, VERMONT
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2021

The majority of revenue for governmental activities comes from property and local option taxes; 73% of total revenue or \$10,250,173. Charges for services are the second largest category of revenue at 11% of total revenue or \$1,610,403. 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.

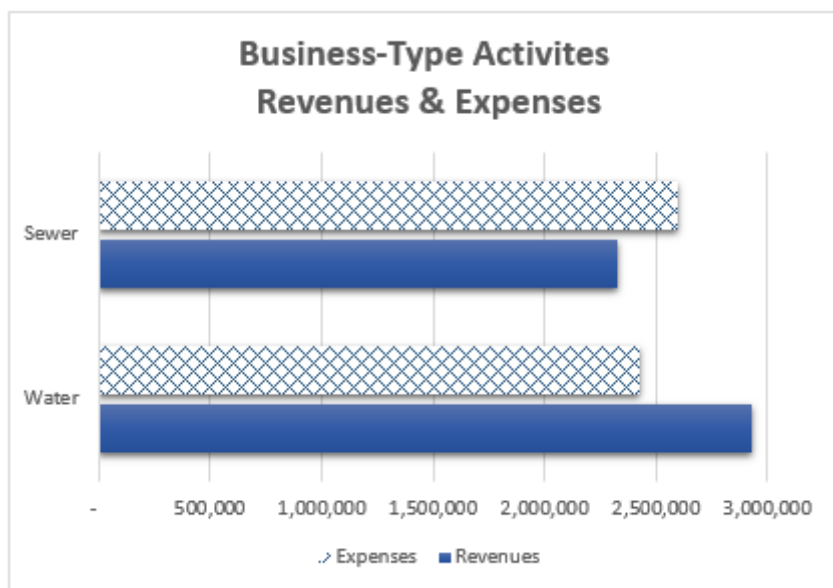


CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Business-type activities (Water and Sewer Funds):

Business-type activities increased the City's net position by \$236,530 during the current fiscal year. Key elements of this change are as follows:

- Sewer Fund was (\$269,373) 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 5.7% or \$270,473. Sewer response and repairs are continuing to increase in frequency as our system ages, specifically repairs to the wastewater treatment plant.
- Water Fund ended FY21 with a change in net position of \$505,903, making the total net position of \$11,246,847. Of that total, \$8,373,882 reflects the investment in capital assets, net of outstanding debt used to acquire or construct those assets and \$2,872,965 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.

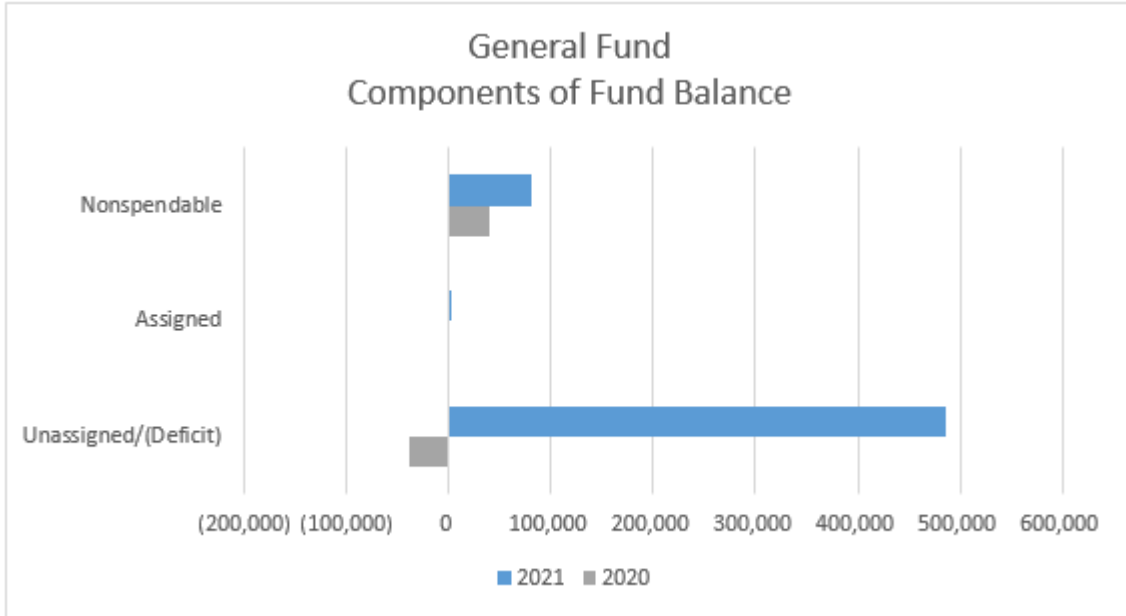
Governmental Funds

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.

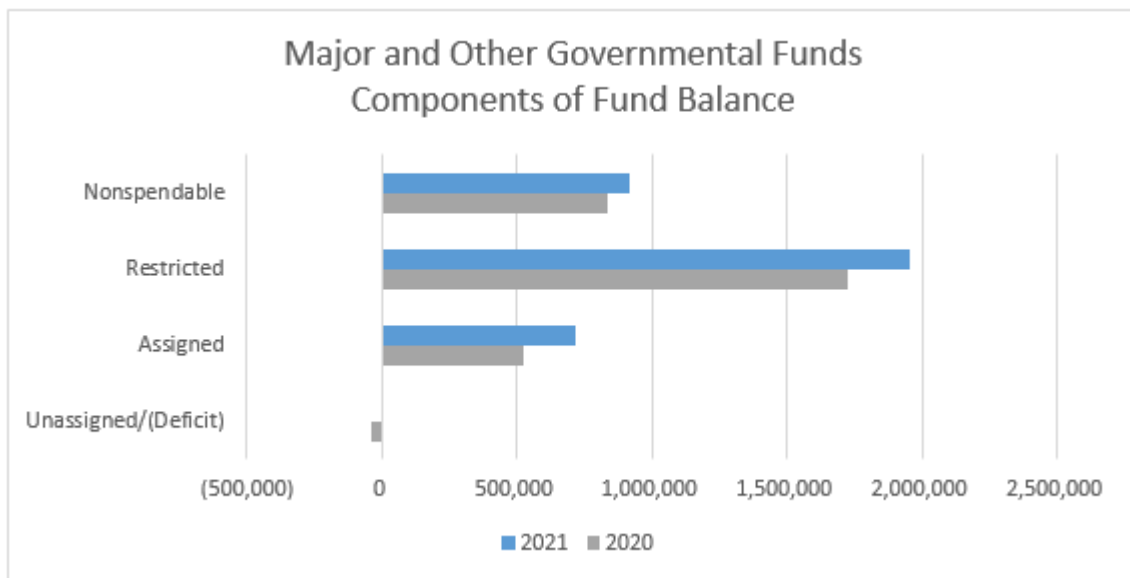
At June 30, 2021, the City's governmental funds reported combined fund balances of \$4,156,952, an increase 36.7% or \$1,116,051 in comparison with the prior fiscal year. The unassigned/(deficit) balance is \$486,694 which is a significant improvement from the (\$80,845) deficit at the end of the prior fiscal year. The remainder of the fund balance is either nonspendable \$996,264, restricted for particular purposes \$1,955,629, or assigned by the City for specific purposes \$718,365. 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 \$569,221 an increase of \$568,116 from the previous year. Of this amount, \$81,477 is in nonspendable form (prepaid expenses and inventory). Of the remaining amount, \$486,694 is the fund unassigned balance.



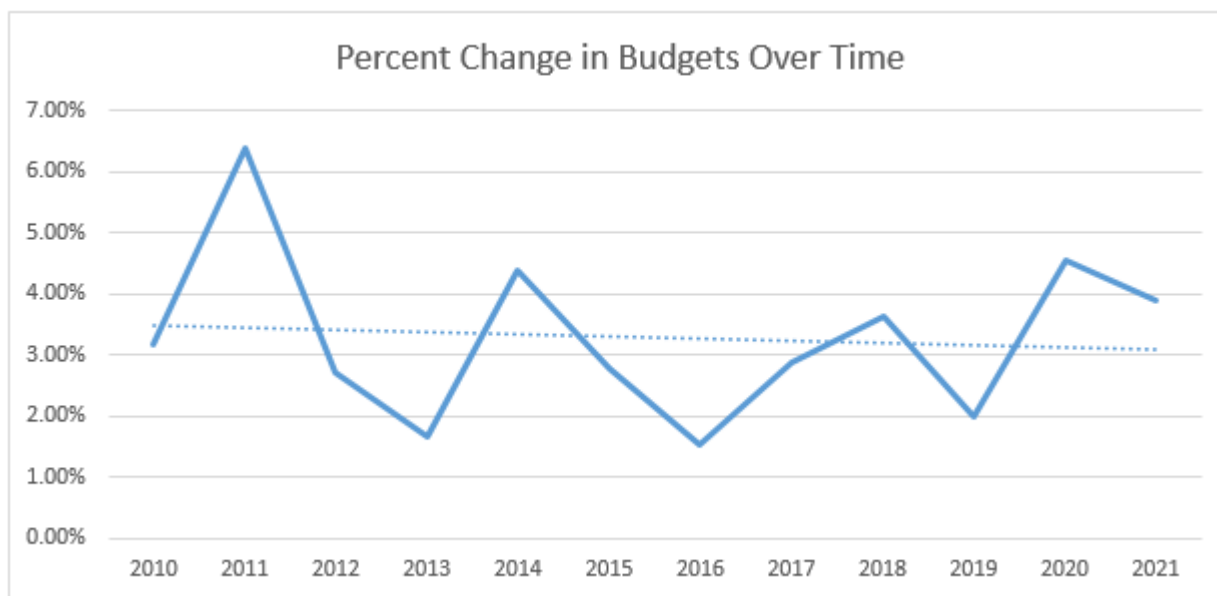
In the governmental funds other than the general fund, the most noteworthy change to the fund balance is a \$231,995 increase in the restricted fund balance of \$1,955,629. The capital improvement fund increased its restricted fund balance by \$62,628 due to new bond funds made available less projects expenditures. The restricted fund increase was also due to an increase of \$113,915 in the Cemetery Trust Fund restricted balance from the investment income. Also worth noting is the elimination of the prior deficit balance in the capital improvement fund.



CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

GENERAL FUND BUDGETARY HIGHLIGHTS:

The City's budget for the year ended June 30, 2021 passed on the first vote in March of 2020. There was a (\$14,800) reduction to the tax rate due to the reduction in social service assistance allocation but no further budget amendments were made during the year. The City's FY21 general fund budget total \$13,016,455 increased 3.89% over FY20. Actual results on the year were a surplus of \$568,116. FY21 financial results were largely impacted by the continuation of the COVID-19 pandemic. Revenues came in under budget by 3.4% or (\$449,539). The Vermont Department of Health provided \$63,359 to the City in FY21 to aid in relief of lost ambulance income. The City was also awarded up to \$100,000 in federal grant funds to participate in the Coronavirus Vaccination Administration. For FY21 the City had received \$18,238 of which \$6,603 was passed through to City EMS employees who administered the vaccinations. As the management team expected a decrease in revenue, expenditures were closely managed and came in under budget by 7.5% or \$980,676.



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, 2021, totaled \$62,410,155 (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 FY21 by \$3,428,565. Combined depreciation for the fiscal year is \$2,841,627. With the City disposing of assets totaling \$90,813, net of accumulated depreciation, and the combined accumulated depreciation exceeding the combined investment in capital assets, caused a net increase in capital assets of \$496,125.

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

- Vehicles and equipment purchased in FY21 consisted of the following: Police Department –Ford Cruiser and fingerprint system; Fire Department – Dodge Ram Truck with a plow; Streets Department – International HV507 Side Dump Truck Body, International CV515 Dump Truck Body, Avant 760; Split use equipment between Streets, Water, and Sewer – 590SN Loader Backhoe, Drum Roller, Hydraulic Hammer; Alumni Hall – Boiler; Facilities/Recreation – Ford F250; Cemetery – 2 Riding Lawn Mowers; Water – Floway Bowl; Sewer – Sewer Line Camera, Komatsu Bucket Loader

CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

- Infrastructure additions: Sidewalks: Ayers St.; Foss St.; Beckley St. (lower portion)
- Alumni Hall Bathroom Remodel
- Swimming Pool
- Barre Opera House Renovation
- Sewer Lines: Camp St., Orange St.
- Construction in progress: DPW Campus; Jefferson St. Stormwater Inlet; Camp St. Street Reconstruction; Perry St. Street Reconstruction and Sidewalk; Metro-Way Bike Path; Potassium Perma Feed; Boiler for Digester; Methane Safety Flare; North End Pump Station

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

- Vehicle and equipment deletions included: Chevy Impala, 2T Roller, Fiat Bucket Loader, Backhoe, 5 International Trucks, 2 Chevy Silverado's, Cat Frontend Loader
- Building and Building Improvement deletions included the Alumni Hall Boiler

Summary of Capital Assets

	Governmental Activities		Business-type Activities		Total Government	
	2021	2020	2021	2020	2021	2020
Capital Assets:						
Land	3,467,013	3,467,013	319,011	319,011	3,786,024	3,786,024
Works of Art	308,184	308,184	-	-	308,184	308,184
Construction in Progress	133,629	360,451	542,233	244,596	675,862	605,047
Buildings and Building Improvements	11,395,102	8,725,082	459,559	459,559	11,854,661	9,184,641
Vehicles, Machinery, Equipment and Furniture	8,525,145	8,289,216	1,700,472	1,855,826	10,225,617	10,145,042
Infrastructure	32,599,821	32,529,916	-	-	32,599,821	32,529,916
Cemetery Developments	823,929	823,929	-	-	823,929	823,929
Distribution and Collection Systems	-	-	38,617,367	38,579,211	38,617,367	38,579,211
	57,252,823	54,503,791	41,638,642	41,458,203	98,891,465	95,961,994
Less: Accumulated Depreciation	(19,346,229)	(17,492,904)	(17,135,081)	(16,555,060)	(36,481,310)	(34,047,964)
Total Assets, Net	37,906,594	37,010,887	24,503,561	24,903,143	62,410,155	61,914,030

Long Term Debt

The City began the year with \$18,137,617 in long-term debt outstanding. As of June 30, 2021 this amount had increased by \$372,176 or 2.1% to end the current year at \$18,509,793.

Summary of Long Term Debt

	30-Jun-20	Additions	Deletions	30-Jun-21
Governmental Activities	7,510,059	1,526,500	710,480	8,326,079
Business-type Activities	10,627,558	173,500	617,344	10,183,714
Total Government	18,137,617	1,700,000	1,327,824	18,509,793

Factors contributing to the change include the following:

- Principal payments totaling \$710,480 were made on the governmental activities debt and principal payments totaling \$617,344 were made on the business-type activities debt.
- New debt, as approved by voters, in the amount of \$1,526,500 was incurred in governmental activities for misc. building improvements at the Civic Center, DPW Campus, and City Hall; system improvements; infrastructure improvements; and the acquisition of several equipment and vehicle needs. Business-type activities incurred \$173,500 in new, voter approved debt for the purpose of acquiring several shared equipment needs.

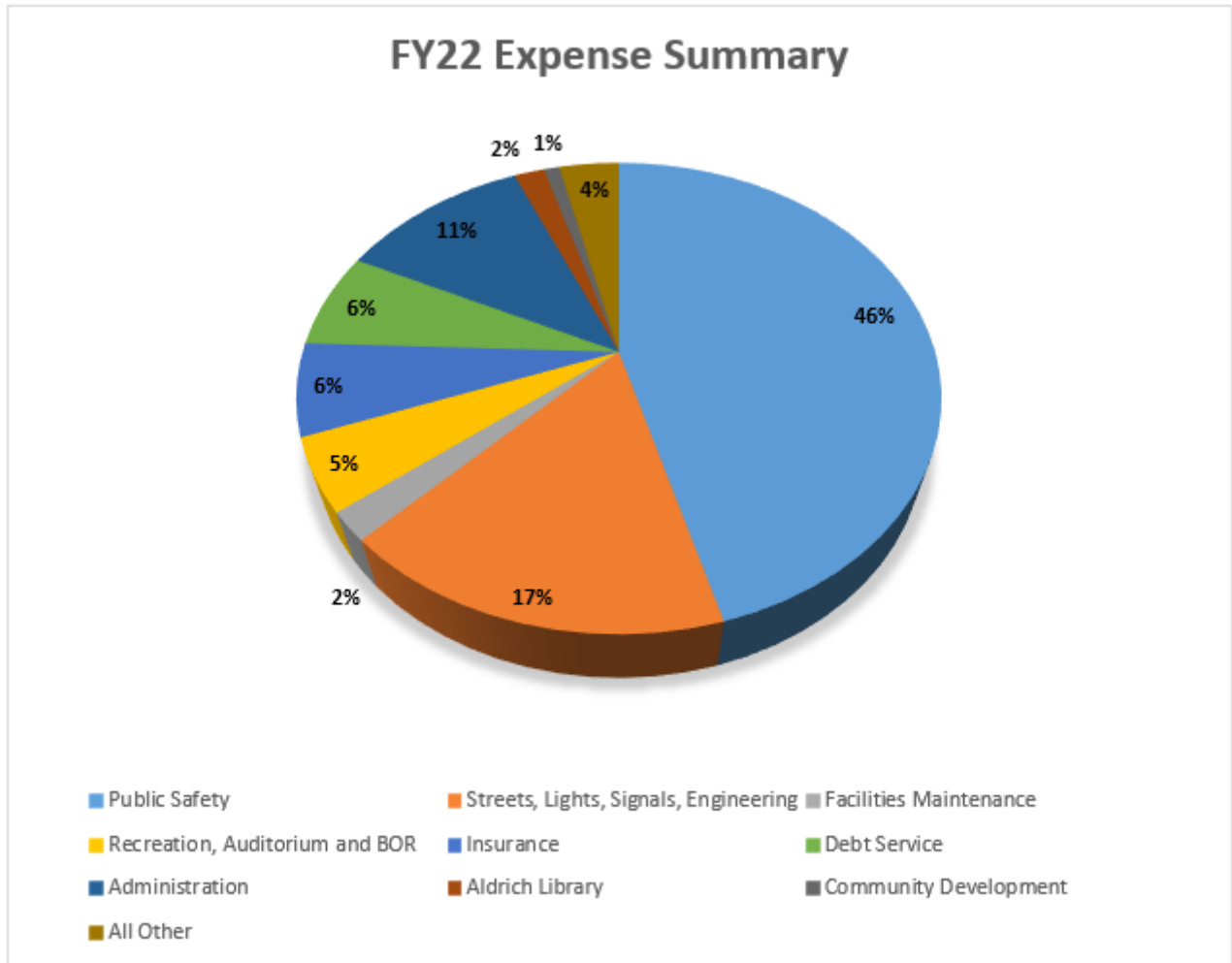
CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

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

NEXT YEAR'S BUDGET

Barre City voters approved a General Fund budget of \$12,836,332 for FY22 in March 2021. The budget represents a decrease of (\$180,123) or (1.4%) over the FY21 budget. The municipal tax rate increased by 2.3% to \$1.9578.

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, 2021

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash	\$ 3,306,566	\$ 200	\$ 3,306,766
Restricted Cash and Cash Equivalents	1,215,073	3,023,298	4,238,371
Investments	1,542,791	0	1,542,791
Receivables (Net of Allowance for Uncollectibles)	875,460	1,629,065	2,504,525
Internal Balances	(1,621,600)	1,621,600	0
Prepaid Expenses	29,696	0	29,696
Inventory	149,681	256,023	405,704
Capital Assets:			
Land	3,467,013	319,011	3,786,024
Works of Art	308,184	0	308,184
Construction in Progress	133,629	542,233	675,862
Other Capital Assets, (Net of Accumulated Depreciation)	33,997,768	23,642,317	57,640,085
Total Assets	<u>43,404,261</u>	<u>31,033,747</u>	<u>74,438,008</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the City's Participation in VMERS	<u>1,820,801</u>	<u>200,565</u>	<u>2,021,366</u>
Total Deferred Outflows of Resources	<u>1,820,801</u>	<u>200,565</u>	<u>2,021,366</u>
<u>LIABILITIES</u>			
Accounts Payable	509,616	124,944	634,560
Accrued Payroll and Benefits Payable	110,629	12,670	123,299
Unearned Revenue	94,628	0	94,628
Due to State of Vermont	189,509	957,666	1,147,175
Due to Others	65,707	0	65,707
Accrued Interest Payable	62,015	57,588	119,603
Noncurrent Liabilities:			
Due within One Year	736,853	613,272	1,350,125
Due in More than One Year	12,611,624	10,150,772	22,762,396
Total Liabilities	<u>14,380,581</u>	<u>11,916,912</u>	<u>26,297,493</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows of Resources Related to the City's Participation in VMERS	<u>165,403</u>	<u>18,219</u>	<u>183,622</u>
Total Deferred Inflows of Resources	<u>165,403</u>	<u>18,219</u>	<u>183,622</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	30,492,021	17,029,653	47,521,674
Restricted:			
Non-Expendable:			
Cemetery	816,887	0	816,887
Expendable:			
Bike Path and Non-Operating Expenditures	595,699	0	595,699
Cemetery	355,336	0	355,336
TIF District	5,011	0	5,011
Other Purposes	167,485	0	167,485
Unrestricted/(Deficit)	<u>(1,753,361)</u>	<u>2,269,528</u>	<u>516,167</u>
Total Net Position	<u>\$ 30,679,078</u>	<u>\$ 19,299,181</u>	<u>\$ 49,978,259</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, 2021

	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	\$ 2,172,038	\$ 557,657	\$ 165,921	\$ 39,960	\$ (1,408,500)	\$ 0	\$ (1,408,500)
Public Safety	7,149,111	788,083	647,549	0	(5,713,479)	0	(5,713,479)
Public Works	2,794,837	0	177,582	82,500	(2,534,755)	0	(2,534,755)
Culture and Recreation	739,435	140,134	10,000	901,162	311,861	0	311,861
Community Development	111,416	0	0	0	(111,416)	0	(111,416)
Cemetery	167,987	124,529	0	0	(43,458)	0	(43,458)
Interest on Long-term Debt	243,599	0	0	0	(243,599)	0	(243,599)
Total Governmental Activities	13,378,423	1,610,403	1,001,052	1,023,622	(9,743,346)	0	(9,743,346)
Business-type Activities:							
Water	2,424,783	2,930,055	0	0	0	505,272	505,272
Sewer	2,594,563	2,323,769	0	0	0	(270,794)	(270,794)
Total Business-type Activities	5,019,346	5,253,824	0	0	0	234,478	234,478
Total Primary Government	\$ 18,397,769	\$ 6,864,227	\$ 1,001,052	\$ 1,023,622	(9,743,346)	234,478	(9,508,868)
General Revenues:							
Property Taxes					9,754,817	0	9,754,817
Penalties and Interest on Delinquent Taxes					77,101	0	77,101
Local Option Sales Taxes					125,570	0	125,570
Payments in Lieu of Taxes					292,685	0	292,685
Unrestricted Investment Earnings					165,555	2,052	167,607
Gain on Sale of Assets					79,679	0	79,679
Other Revenues					3,200	0	3,200
Total General Revenues					10,498,607	2,052	10,500,659
Change in Net Position					755,261	236,530	991,791
Net Position - July 1, 2020					29,923,817	19,062,651	48,986,468
Net Position - June 30, 2021					\$ 30,679,078	\$ 19,299,181	\$ 49,978,259

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

CITY OF BARRE, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Capital Improvement Fund	Special Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 2,743,334	\$ 0	\$ 0	\$ 563,232	\$ 3,306,566
Restricted Cash and Cash Equivalents	0	1,215,073	0	0	1,215,073
Investments	0	0	0	1,542,791	1,542,791
Receivables (Net of Allowance for Uncollectibles)	490,026	224,665	159,084	1,685	875,460
Due from Other Funds	0	448,718	282,249	51,026	781,993
Prepaid Items	29,696	0	0	0	29,696
Inventory	51,781	97,900	0	0	149,681
Total Assets	\$ 3,314,837	\$ 1,986,356	\$ 441,333	\$ 2,158,734	\$ 7,901,260
LIABILITIES					
Accounts Payable	\$ 234,061	\$ 233,942	\$ 650	\$ 40,963	\$ 509,616
Accrued Payroll and Benefits Payable	109,639	0	990	0	110,629
Advances from Other Funds	0	164,154	0	0	164,154
Due to Other Funds	2,012,360	0	0	227,079	2,239,439
Unearned Revenue	94,628	0	0	0	94,628
Due to State of Vermont	0	189,509	0	0	189,509
Due to Others	65,707	0	0	0	65,707
Total Liabilities	2,516,395	587,605	1,640	268,042	3,373,682
DEFERRED INFLOWS OF RESOURCES					
Unavailable Property Taxes, Penalties, Interest and Related Fees	186,000	0	0	0	186,000
Unavailable Ambulance Fees	12,000	0	0	0	12,000
Unavailable Grants	249	0	139,319	0	139,568
Unavailable Miscellaneous Revenue	30,972	0	1,617	469	33,058
Total Deferred Inflows of Resources	229,221	0	140,936	469	370,626
FUND BALANCES					
Nonspendable	81,477	97,900	0	816,887	996,264
Restricted	0	911,506	15,016	1,029,107	1,955,629
Assigned	1,050	389,345	283,741	44,229	718,365
Unassigned	486,694	0	0	0	486,694
Total Fund Balances	569,221	1,398,751	298,757	1,890,223	4,156,952
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,314,837	\$ 1,986,356	\$ 441,333	\$ 2,158,734	
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.					37,906,594
Other Assets are not Available to Pay for Current-Period Expenditures and, Therefore, are Deferred in the Funds.					370,626
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.					(13,410,492)
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.					1,655,398
Net Position of Governmental Activities					\$ 30,679,078

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, 2021

	General Fund	Capital Improvement Fund	Special Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Property Taxes	\$ 9,142,555	\$ 368,866	\$ 0	\$ 252,196	\$ 9,763,617
Penalties and Interest on Delinquent Taxes	77,101	0	0	0	77,101
Local Option Sales Tax	0	125,570	0	0	125,570
Payments in Lieu of Taxes	292,685	0	0	0	292,685
Intergovernmental	448,451	0	199,783	425,798	1,074,032
Charges for Services	1,949,433	24,926	0	3,430	1,977,789
Permits, Licenses and Fees	501,900	0	27,308	0	529,208
Fines and Forfeits	24,469	0	0	0	24,469
Investment Income	19,226	361	0	145,968	165,555
Donations	60,625	82,500	22,025	0	165,150
Other	3,200	0	0	0	3,200
Total Revenues	<u>12,519,645</u>	<u>602,223</u>	<u>249,116</u>	<u>827,392</u>	<u>14,198,376</u>
Expenditures:					
General Government	2,770,289	37,705	52,313	86,883	2,947,190
Public Safety	5,963,067	1,938	68,801	413,742	6,447,548
Public Works	1,200,578	17,098	22,082	0	1,239,758
Culture and Recreation	642,718	0	3,378	10,710	656,806
Community Development	111,416	0	0	0	111,416
Cemetery	143,523	0	0	0	143,523
Capital Outlay:					
General Government	0	167,533	0	0	167,533
Public Safety	0	116,460	0	0	116,460
Public Works	155,290	241,447	0	0	396,737
Culture and Recreation	110,572	991,230	304,000	17,100	1,422,902
Cemetery	0	13,398	0	0	13,398
Debt Service:					
Principal	662,767	33,425	0	88,000	784,192
Interest	172,567	4,375	0	64,099	241,041
Total Expenditures	<u>11,932,787</u>	<u>1,624,609</u>	<u>450,574</u>	<u>680,534</u>	<u>14,688,504</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>586,858</u>	<u>(1,022,386)</u>	<u>(201,458)</u>	<u>146,858</u>	<u>(490,128)</u>
Other Financing Sources/(Uses):					
Issuance of Long-term Debt	0	1,526,500	0	0	1,526,500
Proceeds from Sale of Assets	0	79,679	0	0	79,679
Transfers In	84,250	42,367	10,000	65,625	202,242
Transfers Out	(102,992)	(56,000)	0	(43,250)	(202,242)
Total Other Financing Sources/(Uses)	<u>(18,742)</u>	<u>1,592,546</u>	<u>10,000</u>	<u>22,375</u>	<u>1,606,179</u>
Net Change in Fund Balances	568,116	570,160	(191,458)	169,233	1,116,051
Fund Balances - July 1, 2020	1,105	828,591	490,215	1,720,990	3,040,901
Fund Balances - June 30, 2021	<u>\$ 569,221</u>	<u>\$ 1,398,751</u>	<u>\$ 298,757</u>	<u>\$ 1,890,223</u>	<u>\$ 4,156,952</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, 2021

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)	\$	1,116,051
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$2,117,030) is allocated over their estimated useful lives and reported as depreciation expense (\$2,007,204). This is the amount by which capital outlays exceeded depreciation in the current period.		109,826
The net effect of various transactions involving capital assets (i.e., sales and losses on disposal of assets) is to reduce net position.		(34,991)
The effect of donations of capital assets is to increase net position. The Barre Opera House, Inc. paid for the renovations of the Barre Opera House.		820,872
The issuance of long-term debt (\$1,526,500) (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$784,192) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		(742,308)
Governmental funds report employer pension contributions as expenditures (\$401,546). However, in the statement of activities, the cost of pension benefits earned net of employee contributions (\$953,659) is reported as pension expense. This amount is the net effect of the differences in the treatment of pension expense.		(552,113)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(15,752)
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>53,676</u>
Change in net position of governmental activities (Exhibit B)	\$	<u><u>755,261</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, 2021

	Water Fund	Sewer Fund	Total
<u>ASSETS</u>			
Current Assets:			
Cash	\$ 200	\$ 0	\$ 200
Restricted Cash Equivalents	1,229,274	1,794,024	3,023,298
Receivables (Net of Allowance for Uncollectibles)	788,852	840,213	1,629,065
Advances to Other Funds - Current Portion	0	15,000	15,000
Due from Other Funds	2,180,804	0	2,180,804
Inventory	216,072	39,951	256,023
Total Current Assets	4,415,202	2,689,188	7,104,390
Noncurrent Assets:			
Advances to Other Funds - Noncurrent Portion	0	149,154	149,154
Capital Assets:			
Land	210,011	109,000	319,011
Construction in Progress	188,106	354,127	542,233
Buildings and Building Improvements	10,194	449,365	459,559
Vehicles, Machinery, Equipment and Furniture	186,350	1,514,122	1,700,472
Distribution and Collection Systems	23,848,820	14,768,547	38,617,367
Less: Accumulated Depreciation	(10,306,775)	(6,828,306)	(17,135,081)
Total Noncurrent Assets	14,136,706	10,516,009	24,652,715
Total Assets	18,551,908	13,205,197	31,757,105
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the City's Participation in VMERS			
	103,119	97,446	200,565
Total Deferred Outflows of Resources	103,119	97,446	200,565
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	47,050	77,894	124,944
Accrued Payroll and Benefits Payable	5,003	7,667	12,670
Due to Other Funds	0	723,358	723,358
Due to State of Vermont - Current Portion	66,676	462,573	529,249
Accrued Interest Payable	41,459	16,129	57,588
Notes Payable - Current Portion	61,464	0	61,464
General Obligation Bonds Payable - Current Portion	326,776	225,032	551,808
Total Current Liabilities	548,428	1,512,653	2,061,081
Noncurrent Liabilities:			
Due to State of Vermont - Noncurrent Portion	0	428,417	428,417
Compensated Absences Payable	37,387	58,087	95,474
Net Pension Liability	249,285	235,571	484,856
Notes Payable - Noncurrent Portion	260,329	0	260,329
General Obligation Bonds Payable - Noncurrent Portion	6,303,384	3,006,729	9,310,113
Total Noncurrent Liabilities	6,850,385	3,728,804	10,579,189
Total Liabilities	7,398,813	5,241,457	12,640,270
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows of Resources Related to the City's Participation in VMERS			
	9,367	8,852	18,219
Total Deferred Inflows of Resources	9,367	8,852	18,219
<u>NET POSITION</u>			
Net Investment in Capital Assets	8,373,882	8,655,771	17,029,653
Unrestricted/(Deficit)	2,872,965	(603,437)	2,269,528
Total Net Position	\$ 11,246,847	\$ 8,052,334	\$ 19,299,181

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, 2021

	Water Fund	Sewer Fund	Total
Operating Revenues:			
Charges for Services	\$ 2,896,542	\$ 2,302,580	\$ 5,199,122
Interest and Penalties	32,577	17,836	50,413
Other	936	3,353	4,289
Total Operating Revenues	2,930,055	2,323,769	5,253,824
Operating Expenses:			
Payroll and Benefits	642,624	642,271	1,284,895
Administrative Costs	479,467	479,467	958,934
Professional Services	18,584	8,413	26,997
Supplies	22,283	21,870	44,153
Utilities	131,526	222,207	353,733
Maintenance	192,069	207,770	399,839
Chemicals	129,451	216,503	345,954
Permits & Testing	35,898	18,990	54,888
Taxes	57,963	0	57,963
Sludge Disposal	0	308,118	308,118
Depreciation	485,820	348,603	834,423
Other Operating Expenses	340	11,438	11,778
Total Operating Expenses	2,196,025	2,485,650	4,681,675
Operating Income/(Loss)	734,030	(161,881)	572,149
Non-Operating Revenues/(Expenses):			
Loss on Disposal of Capital Assets	0	(12,385)	(12,385)
Investment Income	631	1,421	2,052
Interest Expense	(228,758)	(96,528)	(325,286)
Total Non-Operating Revenues/(Expenses)	(228,127)	(107,492)	(335,619)
Change in Net Position	505,903	(269,373)	236,530
Net Position - July 1, 2020	10,740,944	8,321,707	19,062,651
Net Position - June 30, 2021	\$ 11,246,847	\$ 8,052,334	\$ 19,299,181

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, 2021

	Water Fund	Sewer Fund	Total
Cash Flows From Operating Activities:			
Receipts from Customers and Users	\$ 2,882,511	\$ 2,250,101	\$ 5,132,612
Payments for Goods and Services	(526,782)	(990,415)	(1,517,197)
Payments for Interfund Services	(479,467)	(479,467)	(958,934)
Payments for Wages and Benefits	(613,493)	(648,896)	(1,262,389)
Net Cash Provided by Operating Activities	<u>1,262,769</u>	<u>131,323</u>	<u>1,394,092</u>
Cash Flows From Noncapital Financing Activities:			
(Increase)/Decrease in Due from Other Funds	(565,055)	0	(565,055)
Increase/(Decrease) in Due to Other Funds	0	458,747	458,747
(Increase)/Decrease in Advances to Other Funds	0	10,000	10,000
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>(565,055)</u>	<u>468,747</u>	<u>(96,308)</u>
Cash Flows From Capital and Related Financing Activities:			
Proceeds from Sale of Capital Assets	0	5,437	5,437
Acquisition and Construction of Capital Assets	(126,643)	(326,020)	(452,663)
Payment to the State of Vermont for Big Dig Project	(20,530)	(311,470)	(332,000)
Issuance of Long-term Debt	76,750	96,750	173,500
Principal Paid on Long-term Debt	(396,158)	(221,186)	(617,344)
Interest Paid on Long-term Debt	(231,477)	(97,557)	(329,034)
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(698,058)</u>	<u>(854,046)</u>	<u>(1,552,104)</u>
Cash Flows From Investing Activities:			
Receipt of Interest and Dividends	631	1,421	2,052
Net Cash Provided by Investing Activities	<u>631</u>	<u>1,421</u>	<u>2,052</u>
Net Increase/(Decrease) in Cash	287	(252,555)	(252,268)
Cash and Restricted Cash Equivalents - July 1, 2020	<u>1,229,187</u>	<u>2,046,579</u>	<u>3,275,766</u>
Cash and Restricted Cash Equivalents - June 30, 2021	<u>\$ 1,229,474</u>	<u>\$ 1,794,024</u>	<u>\$ 3,023,498</u>
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Operating Income/(Loss)	\$ 734,030	\$ (161,881)	\$ 572,149
Depreciation	485,820	348,603	834,423
(Increase)/Decrease in Receivables	(47,544)	(73,668)	(121,212)
(Increase)/Decrease in Inventory	54,138	803	54,941
(Increase)/Decrease in Deferred Outflows of Resources Related to the City's Participation in VMERS	(47,555)	(35,269)	(82,824)
Increase/(Decrease) in Accounts Payable	7,194	24,091	31,285
Increase/(Decrease) in Accrued Payroll and Benefits Payable	(7,079)	(4,074)	(11,153)
Increase/(Decrease) in Compensated Absences Payable	(17,339)	(35,403)	(52,742)
Increase/(Decrease) in Net Pension Liability	96,020	64,062	160,082
Increase/(Decrease) in Deferred Inflows of Resources Related to the City's Participation in VMERS	5,084	4,059	9,143
Net Cash Provided by Operating Activities	<u>\$ 1,262,769</u>	<u>\$ 131,323</u>	<u>\$ 1,394,092</u>

The Water Fund traded-in capital assets with a cost and accumulated depreciation of \$59,850 and \$40,850, respectively.

The Sewer Fund traded-in capital assets with a cost and accumulated depreciation of \$59,850 and \$40,850, respectively.

The Sewer Fund disposed of capital assets with a cost and accumulated depreciation of \$162,654 and \$159,195, respectively.

The Sewer Fund sold capital assets with a cost and accumulated depreciation of \$27,870 and \$13,507, respectively, for \$5,437.

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

CITY OF BARRE, VERMONT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021

<u>ASSETS</u>	<u>Private-Purpose Trust Funds</u>	<u>Custodial Fund Education Tax Fund</u>
Cash and Cash Equivalents	\$ 90,833	\$ 0
Investments	<u>17,338</u>	<u>0</u>
Total Assets	\$ <u><u>108,171</u></u>	\$ <u><u>0</u></u>
 <u>LIABILITIES AND NET POSITION</u>		
Liabilities:	\$ <u>0</u>	\$ <u>0</u>
Net Position:		
Restricted:		
Held in Trust for Other Purposes	<u>108,171</u>	<u>0</u>
Total Net Position	<u>108,171</u>	<u>0</u>
Total Liabilities and Net Position	\$ <u><u>108,171</u></u>	\$ <u><u>0</u></u>

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, 2021

	<u>Private-Purpose Trust Funds</u>	<u>Custodial Fund Education Tax Fund</u>
Additions:		
Investment Income	\$ 114	\$ 0
Education Taxes Collected for Other Governments	<u>0</u>	<u>7,008,847</u>
Total Additions	<u>114</u>	<u>7,008,847</u>
Deductions:		
Education Taxes Distributed to Other Governments	<u>0</u>	<u>7,008,847</u>
Total Deductions	<u>0</u>	<u>7,008,847</u>
Change in Net Position	114	0
Net Position - July 1, 2020	<u>108,057</u>	<u>0</u>
Net Position - June 30, 2021	<u>\$ 108,171</u>	<u>\$ 0</u>

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

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021

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, 2021

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.

Custodial Fund – This fund is used to report 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, 2021

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. Proceeds 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. New Pronouncement – Fiduciary Activities

Effective June 30, 2021, the City implemented GASB Statement No. 84, “Fiduciary Activities”. GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. This required moving certain items previously recorded through a General Fund liability account to the newly established custodial fund that reports additions and deductions for these activities. No restatement of beginning net position/fund balance was required in either fund. As a result, the collection and remittance of education taxes on behalf of other governments are now presented in a Custodial Fund.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

G. 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.

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.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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.

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:

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

	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.

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.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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.

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. For the year ending June, 30, 2021, the City Council approved reducing the municipal property tax rate as authorized by Act 102 (S.344). This was a result of a reduction in social service assistance allocations approved by voters of \$9,800 for Project Independence which permanently closed in June, 2020 and \$5,000 for the Barre Heritage Festival which was cancelled due to COVID-19.

B. Budgeted Surplus

The City budgeted a current year’s excess of revenues over expenditures in the General Fund in the amount of \$36,979. This is reflected as a budgeted excess of revenues over expenditures on Schedule 1.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

C. Restatement of Fund Balance

The fund balance of the TIF Fund has been restated as a result of an understatement of due to other funds. The effect of this restatement on the TIF Fund Balance Sheet is to increase liabilities by \$57,277 and decrease fund balance by \$57,277. The effect on the 2020 Statement of Revenues, Expenditures and Changes in Fund Balance has not been determined. The fund balance of the TIF Fund has been restated from \$49,029 to (\$8,248).

The fund balance of the Semprebon Fund has been restated as a result of an understatement of due from other funds. The effect of this restatement on the Semprebon Fund Balance Sheet is to increase assets by \$57,277 and increase fund balance by \$57,277. The effect on the 2020 Statement of Revenues, Expenditures and Changes in Fund Balance has not been determined. The fund balance of the Semprebon Fund has been restated from \$505,979 to \$563,256.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The City's cash, cash equivalents and investments as of June 30, 2021 consisted of the following:

Restricted Cash and Cash Equivalents:	
Money Market Mutual Fund – U.S. Government Securities	\$4,201,627
Deposits Held by Investment Company	<u>36,744</u>
Total Restricted Cash and Cash Equivalents	<u>4,238,371</u>
Unrestricted Cash and Cash Equivalents:	
Deposits with Financial Institutions	3,070,974
Deposits held by Investment Company	236,271
Certificate of Deposit	89,379
Cash on Hand	<u>975</u>
Total Unrestricted Cash and Cash Equivalents	<u>3,397,599</u>
Total Cash and Cash Equivalents	<u>7,635,970</u>
Investments:	
Certificate of Deposit	17,338
Mutual Funds – Mixed Holdings	<u>1,542,791</u>
Total Investments	<u>1,560,129</u>
Total Cash and Investments	<u>\$9,196,099</u>

The City has two (2) certificates of deposit with balances of \$17,338 and \$89,379 with interest rates of 0.25% and 0.05%, respectively. Both certificates of deposit mature during fiscal year 2022.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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 fund 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	\$ 635,753	\$ 635,753
Uninsured, Collateralized by U.S. Government Agencies Securities Held by the Pledging Financial Institution's Agent	<u>2,814,953</u>	<u>2,923,453</u>
Total	<u>\$3,450,706</u>	<u>\$3,559,206</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	\$ 36,744
Cash – Deposits with Financial Institutions	3,070,974
Cash – Deposits held by Investment Company	236,271
Cash Equivalent – Certificate of Deposit	89,379
Investments – Certificates of Deposit	<u>17,338</u>
Total	<u>\$3,450,706</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 fund 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, 2021

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 fund 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, 2021:

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	\$ 1,542,791	\$ 1,542,791	\$ 0	\$ 0
Total	\$ 1,542,791	\$ 1,542,791	\$ 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 related projects and purchases or may be used to pay down the bond. The amount restricted as of June 30, 2021 is \$36,744.

In 2020, the City received a \$3.96 million bond from the Vermont Municipal Bond Bank, of which \$160,750 was allocated to the Capital Improvement Fund for infrastructure improvements, \$560,000 was allocated to the Capital Improvement Fund for miscellaneous improvements and TIF District audit fees, \$1,215,500 was allocated to the Water Fund for miscellaneous capital projects, \$1,123,750 was allocated to the Sewer Fund for miscellaneous capital projects, and \$900,000 was 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, 2021 is \$3,394,088.

In 2021, the City received a \$1.7 million bond from the Vermont Municipal Bond Bank, of which \$1,526,500 was allocated to the Capital Improvement Fund for infrastructure improvements and equipment needs, \$76,750 was allocated to the Water Fund for miscellaneous equipment needs, and \$96,750 was allocated to the Sewer Fund for miscellaneous equipment needs. 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, 2021 is \$807,539.

B. Receivables

Receivables as of June 30, 2021, 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	\$ 264,901	\$ 0	\$ 264,901
Penalties and Interest Receivable	56,937	17,217	74,154
Tax Sale Receivable	31,759	0	31,759
Local Option Sales Tax Receivable	35,156	0	35,156
Ambulance Receivable	159,713	0	159,713
Parking Tickets Receivable	599,747	0	599,747
Grants Receivable	186,020	0	186,020
Due from State of Vermont	189,509	192,600	382,109
Due from Other Entities	1,715	138,000	139,715
Billed Services	91,068	464,754	555,822
Unbilled Services	0	818,511	818,511
Miscellaneous Receivables	49,699	0	49,699
Allowance for Doubtful Accounts - Taxes	(109,420)	0	(109,420)
Allowance for Doubtful Accounts - Ambulance	(61,000)	0	(61,000)
Allowance for Doubtful Accounts - Parking Tickets	(586,309)	0	(586,309)
Allowance for Doubtful Accounts - Cemetery Fees	(14,980)	0	(14,980)
Allowance for Doubtful Accounts - Miscellaneous Fees	(19,055)	0	(19,055)
Allowance for Doubtful Accounts - Water/Sewer	0	(2,017)	(2,017)
	<u>\$ 875,460</u>	<u>\$ 1,629,065</u>	<u>\$ 2,504,525</u>

CITY OF BARRE, VERMONT
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C. Notes Receivable

Notes receivable as of June 30, 2021 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, 2021	<u>\$ 0</u>

CITY OF BARRE, VERMONT
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D. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 3,467,013	\$ 0	\$ 0	\$ 3,467,013
Works of Art	308,184	0	0	308,184
Construction in Progress	<u>360,451</u>	<u>1,472,327</u>	<u>1,699,149</u>	<u>133,629</u>
Total Capital Assets, Not Being Depreciated	<u>4,135,648</u>	<u>1,472,327</u>	<u>1,699,149</u>	<u>3,908,826</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	8,725,082	2,702,555	32,535	11,395,102
Vehicles, Machinery, Equipment and Furniture	8,289,216	392,264	156,335	8,525,145
Infrastructure	32,529,916	69,905	0	32,599,821
Cemetery Developments	<u>823,929</u>	<u>0</u>	<u>0</u>	<u>823,929</u>
Totals	<u>50,368,143</u>	<u>3,164,724</u>	<u>188,870</u>	<u>53,343,997</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	2,913,106	163,872	17,310	3,059,668
Vehicles, Machinery, Equipment and Furniture	4,457,528	510,530	136,569	4,831,489
Infrastructure	9,784,528	1,323,884	0	11,108,412
Cemetery Developments	<u>337,742</u>	<u>8,918</u>	<u>0</u>	<u>346,660</u>
Totals	<u>17,492,904</u>	<u>2,007,204</u>	<u>153,879</u>	<u>19,346,229</u>
Total Capital Assets, Being Depreciated	<u>32,875,239</u>	<u>1,157,520</u>	<u>34,991</u>	<u>33,997,768</u>
Governmental Activities Capital Assets, Net	<u>\$ 37,010,887</u>	<u>\$ 2,629,847</u>	<u>\$ 1,734,140</u>	<u>\$ 37,906,594</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 319,011	\$ 0	\$ 0	\$ 319,011
Construction in Progress	<u>244,596</u>	<u>297,637</u>	<u>0</u>	<u>542,233</u>
Total Capital Assets, Not Being Depreciated	<u>563,607</u>	<u>297,637</u>	<u>0</u>	<u>861,244</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	459,559	0	0	459,559
Vehicles, Machinery, Equipment and Furniture	1,855,826	154,870	310,224	1,700,472
Distribution and Collection Systems	<u>38,579,211</u>	<u>38,156</u>	<u>0</u>	<u>38,617,367</u>
Totals	<u>40,894,596</u>	<u>193,026</u>	<u>310,224</u>	<u>40,777,398</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	418,848	4,771	0	423,619
Vehicles, Machinery, Equipment and Furniture	1,097,506	97,633	254,402	940,737
Distribution and Collection Systems	<u>15,038,706</u>	<u>732,019</u>	<u>0</u>	<u>15,770,725</u>
Totals	<u>16,555,060</u>	<u>834,423</u>	<u>254,402</u>	<u>17,135,081</u>
Total Capital Assets, Being Depreciated	<u>24,339,536</u>	<u>(641,397)</u>	<u>55,822</u>	<u>23,642,317</u>
Business-type Activities Capital Assets, Net	<u>\$ 24,903,143</u>	<u>\$ (343,760)</u>	<u>\$ 55,822</u>	<u>\$ 24,503,561</u>

CITY OF BARRE, VERMONT
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Depreciation was charged as follows:

Governmental Activities:		Business-type Activities:	
General Government	\$ 86,476	Water	\$ 485,820
Public Safety	333,073	Sewer	<u>348,603</u>
Public Works	1,492,061		
Culture and Recreation	74,185		
Cemetery	<u>21,409</u>		
 Total Depreciation Expense - Governmental Activities	 <u>\$ 2,007,204</u>	 Total Depreciation Expense - Business-type Activities	 <u>\$ 834,423</u>

The composition of interfund balances as of June 30, 2021 are as follows:

E. Interfund Balances and Activity

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 0	\$ 2,012,360
Capital Improvement Fund	448,718	0
Special Fund	282,249	0
Non-Major Governmental Funds	51,026	227,079
Water Fund	2,180,804	0
Sewer Fund	<u>0</u>	<u>723,358</u>
	<u>\$ 2,962,797</u>	<u>\$ 2,962,797</u>

The composition of advances to/from other funds as of June 30, 2021 are as follows:

Fund	Advances to Other Funds	Advances from Other Funds
Sewer Fund	\$ 164,154	\$ 0
Capital Improvement Fund	<u>0</u>	<u>164,154</u>
	<u>\$ 164,154</u>	<u>\$ 164,154</u>

The purpose of the interfund loans were the purchase of land and a building at Enterprise Aly. 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 \$164,154 and is currently due and payable, however, they City has budgeted to repay \$15,000 in FY2022. Interest is calculated on the loan at the rate the Sewer Fund would have earned for that year. During 2021, average interest was 0.21%.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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Interfund transfers during the year ended June 30, 2021 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Capital Improvement Fund	\$ 10,367	Fund Debt Service
General Fund	Capital Improvement Fund	32,000	Appropriation
General Fund	Semprebon Fund	60,625	Transfer Annuity Earnings
Capital Improvement Fund	General Fund	56,000	Appropriation
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	500	Transfer Interest Earnings - Flowers
Cemetery Trust Fund	General Fund	25,000	Transfer Interest Earnings
Cemetery Trust Fund	General Fund	<u>2,750</u>	Transfer Earnings - Perpetual Care
Total		<u>\$ 202,242</u>	

F. Deferred Outflows of Resources

Deferred outflows of resources in the governmental activities consists of \$396,424 from the difference between the expected and actual experience, \$420,988 from the difference between the projected and actual investment earnings, \$590,131 from changes in assumptions and \$11,712 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 \$401,546 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the governmental activities is \$1,820,801.

Deferred outflows of resources in the business-type activities consists of \$43,667 from the difference between the expected and actual experience, \$46,372 from the difference between the projected and actual investment earnings, \$65,004 from changes in assumptions and \$1,290 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 \$44,232 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the business-type activities is \$200,565.

Deferred outflows of resources in the Water Fund consists of \$22,451 from the difference between the expected and actual experience, \$23,842 from the difference between the projected and actual investment earnings, \$33,421 from changes in assumptions and \$663 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 \$22,742 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the Water Fund is \$103,119.

Deferred outflows of resources in the Sewer Fund consists of \$21,216 from the difference between the expected and actual experience, \$22,530 from the difference between the projected and actual investment earnings, \$31,583 from changes in assumptions and \$627 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 \$21,490 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the Sewer Fund is \$97,446.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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G. Unearned Revenue

Unearned revenue in the General Fund consists of \$91,050 of rental property registration fees and \$3,578 of recreation registrations received in advance. Total unearned revenue in the General Fund is \$94,628.

H. Deferred Inflows of Resources

Deferred inflows of resources in the governmental activities consists of \$13,047 from the difference between the expected and actual experience and \$152,356 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 \$165,403.

Deferred inflows of resources in the business-type activities consists of \$1,437 from the difference between the expected and actual experience and \$16,782 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 \$18,219.

Deferred inflows of resources in the General Fund consists of \$186,000 of delinquent property taxes, penalties, interest and related fees on those taxes, \$12,000 of ambulance fees, \$249 of grant revenue and \$30,972 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 \$229,221.

Deferred inflows of resources in the Special Fund consists of \$139,319 of grant revenue and \$1,617 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 Special Fund is \$140,936.

Deferred inflows of resources in the Non-major Governmental Fund consists of \$469 of miscellaneous 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 \$739 from the difference between the expected and actual experience and \$8,628 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 \$9,367.

Deferred inflows of resources in the Sewer Fund consists of \$698 from the difference between the expected and actual experience and \$8,154 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 \$8,852.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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I. Short-term Debt

The City had notes payable with Community Bank, N.A. 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 2.25%, Due and Paid June, 2021	\$ 0	\$1,200,000	\$1,200,000	\$ 0
Bond Anticipation Note, Community National Bank, N.A., Capital Projects, \$1,700,000 Available, Interest at 1.59%, Due and Paid April, 2021.	<u>100</u>	<u>1,700,000</u>	<u>1,700,100</u>	<u>0</u>
Total	<u>\$ 100</u>	<u>\$2,900,000</u>	<u>\$2,900,100</u>	<u>\$ 0</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.

CITY OF BARRE, VERMONT
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The State of Vermont offers a number of negative interest revolving loan programs to utilize for predetermined purposes. The City has borrowed money from the Vermont Special Environmental Revolving Fund for water 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.

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, 2021 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	\$ 60,000	\$ 0	\$ 30,000	\$ 30,000
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	1,365,000	0	195,000	1,170,000
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.	441,429	0	38,571	402,858

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, Equipment and Infrastructure Improvements, Principal Payments of \$115,000 Payable on November 1 Annually, Interest Rates Ranging from 2.80% to 5.18% Payable on May 1 and November 1, Due November, 2028	\$1,035,000	\$ 0	\$115,000	\$ 920,000
Bond Payable, Vermont Municipal Bond Bank, Pool Refurbishment, Principal Payments of \$36,000 Payable on November 1 Annually, Interest Rates Ranging from 1.80% to 5.68% Payable on May 1 and November 1, Due November, 2038	684,000	0	36,000	648,000
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	32,500	0	3,250	29,250
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 and Paid September, 2021	96,311	0	47,375	48,936
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	1,848,000	0	88,000	1,760,000
Bond Payable, Vermont Municipal Bond Bank, Water & Wastewater 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 General Fund Portion of the Bond	160,750	0	5,359	155,391

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, Capital Improvement Projects, Principal Payments of \$56,000 Payable on November 1 Annually, Interest Ranging from 1.35% to 2.70% Payable on May 1 and November 1, Due November, 2030	\$ 560,000	\$ 0	\$ 56,000	\$ 504,000
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	139,569	0	33,425	106,144
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	637,500	0	37,500	600,000
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	450,000	0	25,000	425,000
Bond Payable, Vermont Municipal Bond Bank, Public Works Equipment and Infrastructure Bond, Principal Payments of \$76,325 Payable on November 1 Annually, Interest Ranging from 0.45% to 2.901% Payable on May 1 and November 1, Due November, 2041	<u>0</u>	<u>1,526,500</u>	<u>0</u>	<u>1,526,500</u>
Total Governmental Activities	<u>\$7,510,059</u>	<u>\$1,526,500</u>	<u>\$710,480</u>	<u>\$8,326,079</u>

CITY OF BARRE, VERMONT
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Business-type Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Water Fund:				
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	\$ 4,793,062	\$ 0	\$240,619	\$4,552,443
Bond Payable, State of Vermont Special Environmental Revolving Fund, Deep Rock Water System, Principal Payments of \$7,389 Payable on December 1 Annually. Due December, 2035	118,226	0	7,389	110,837
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.	171,863	0	15,017	156,846
Bond Payable, State of Vermont Special Environmental Revolving Fund, Hydro Power Turbine, Principal Payments of \$9,298 Payable on July 1 Annually, Interest at 0%, Due July, 2044. The City Made the July, 2021 Payment in June, 2021	232,455	0	18,596	213,859
Bond Payable, State of Vermont Special Environmental Revolving Fund, Trestle Project, Principal Payments of \$13,778 Payable on November 1 Annually, Interest at 0%, Due November, 2045.	358,220	0	13,778	344,442
Bond Payable, Vermont Municipal Bond Bank, Water & Wastewater 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	1,215,500	0	40,517	1,174,983

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, Water Equipment & Infrastructure Bond, Principal Payments of \$3,838 Payable on November 1 Annually, Interest Ranging from 0.45% to 2.901% Payable on May 1 and November 1, Due November, 2041	\$ 0	\$ 76,750	\$ 0	\$ 76,750
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>382,035</u>	<u>0</u>	<u>60,242</u>	<u>321,793</u>
Total Water Fund	<u>7,271,361</u>	<u>76,750</u>	<u>396,158</u>	<u>6,951,953</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Sewer Fund:				
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	796,038	0	93,390	702,648
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.	416,709	0	36,411	380,298
Bond Payable, Vermont Municipal Bond Bank, Water & Wastewater 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.	1,123,750	0	37,460	1,086,290

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, 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.	\$ 900,000	\$ 0	\$ 45,000	\$ 855,000
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	119,700	0	8,925	110,775
Bond Payable, Vermont Municipal Bond Bank, Sewer Equipment and Infrastructure Bond, Principal Payments of \$4,838 Payable on November 1 Annually, Interest Ranging from 0.45% to 2.901% Payable on May 1 and November 1, Due November, 2041	<u>0</u>	<u>96,750</u>	<u>0</u>	<u>96,750</u>
Total Sewer Fund	<u>3,356,197</u>	<u>96,750</u>	<u>221,186</u>	<u>3,231,761</u>
Total Business-type Activities	<u>\$10,627,558</u>	<u>\$173,500</u>	<u>\$617,344</u>	<u>\$10,183,714</u>

Changes in long-term liabilities during the year were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
General Obligation Bonds Payable	\$ 6,154,179	\$ 1,526,500	\$ 563,930	\$ 7,116,749	\$ 563,929
Notes Payable	1,120,000	0	65,750	1,054,250	65,750
Capital Lease Payable	235,880	0	80,800	155,080	87,983
Due to the Vermont Granite Museum	92,903	0	73,712	19,191	19,191
Compensated Absences Payable	657,716	0	56,234	601,482	0
Net Pension Liability	<u>3,224,944</u>	<u>1,176,781</u>	<u>0</u>	<u>4,401,725</u>	<u>0</u>
Total Governmental Activities Long-term Liabilities	<u>\$ 11,485,622</u>	<u>\$ 2,703,281</u>	<u>\$ 840,426</u>	<u>\$ 13,348,477</u>	<u>\$ 736,853</u>
Business-type Activities					
General Obligation Bonds Payable	\$ 10,245,523	\$ 173,500	\$ 557,102	\$ 9,861,921	\$ 551,808
Notes Payable	382,035	0	60,242	321,793	61,464
Compensated Absences Payable	148,216	0	52,742	95,474	0
Net Pension Liability	<u>324,774</u>	<u>160,082</u>	<u>0</u>	<u>484,856</u>	<u>0</u>
Total Business-type Activities Long-term Liabilities	<u>\$ 11,100,548</u>	<u>\$ 333,582</u>	<u>\$ 670,086</u>	<u>\$ 10,764,044</u>	<u>\$ 613,272</u>

CITY OF BARRE, VERMONT
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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. The 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 matured 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
2022	\$ 629,679	\$ 243,267	\$ 87,983	\$ 613,272	\$ 291,907
2023	673,862	217,815	37,431	643,666	272,561
2024	673,862	198,480	37,431	659,445	253,351
2025	673,862	179,073	0	675,817	233,414
2026	673,862	155,612	0	692,856	212,624
2027-2031	2,300,060	580,316	0	2,923,519	767,616
2032-2036	1,377,345	321,837	0	2,429,993	204,261
2037-2041	1,043,916	105,105	0	728,631	100,138
2042-2046	103,117	6,745	0	504,607	48,398
2047-2051	21,434	1,393	0	311,908	11,928
Total	8,170,999	2,009,643	162,845	10,183,714	2,396,198
Less: Imputed Interest	0	0	(7,765)	0	0
Total	<u>\$ 8,170,999</u>	<u>\$ 2,009,643</u>	<u>\$ 155,080</u>	<u>\$ 10,183,714</u>	<u>\$ 2,396,198</u>

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.

CITY OF BARRE, VERMONT
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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	\$ 29,696
Nonspendable Inventory	<u>51,781</u>
Total General Fund	<u>81,477</u>

Capital Improvement Fund:	
Nonspendable Inventory	<u>97,900</u>

Non-Major Funds

Permanent Fund:	
Nonspendable Cemetery Trust Fund Principal	<u>816,887</u>
Total Nonspendable Fund Balances	<u>\$996,264</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>\$911,506</u>

Special Fund:	
Restricted for Donations Fund Expenditures by Agreements (Source of Revenue is Donations)	<u>15,016</u>

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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)	70,691
Restricted for Semprebon Fund for the Bike Path and Other Non-Operating Expenditures by Bequest (Source of Revenue is Donations)	<u>589,385</u>

Total Special Revenue Funds	<u>662,915</u>
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Capital Projects Funds:

Restricted for Semprebon Fund for the Bike Path and Other Non-Operating Expenditures by Bequest-Designated for Shade Tree Improvement Expenditures (Source of Revenue is Donations)	6,314
Restricted for TIF District Debt Service by Statute (Source of Revenue is Property Taxes)	<u>5,011</u>

Total Capital Projects Fund	<u>11,325</u>
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Permanent Fund:

Restricted for Cemetery Trust Fund Expenditures by Endowments and Trust Agreements	<u>354,867</u>
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Total Non-Major Funds	<u>1,029,107</u>
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Total Restricted Fund Balances	<u>\$1,955,629</u>
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The fund balances in the following funds are assigned as follows:

Major Fund

General Fund:

Assigned for Community Visit	\$ <u>1,050</u>
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Capital Improvement Fund:

Assigned for Capital Improvement Expenditures	<u>389,345</u>
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Special Fund:

Assigned for Reappraisal Expenses	393,969
Assigned for Recreation Programs	3,550
Assigned for Community Picnic	1,000
Assigned for Fire Department Special Tool	1,110
Assigned in Excess of Available Fund Balance	<u>(115,888)</u>

Total Special Fund	<u>283,741</u>
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CITY OF BARRE, VERMONT
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Non-Major Funds

Special Revenue Funds:	
Assigned for Special Recreation Program Expenses	\$ 23,055
Capital Projects Funds:	
Assigned for Shade Tree Improvement Expenditures	<u>21,174</u>
Total Non-Major Funds	<u>44,229</u>
Total Assigned Fund Balances	<u>\$ 718,365</u>

L. Restricted and Designated Net Position

The restricted net position of the City as of June 30, 2021 consisted of the following:

Governmental Activities:	
Inventories Restricted for Highway Use by Statute	\$ 51,781
Restricted for Special Fund Expenditures by Donations and Statute	42,174
Restricted for Community Development by Grant Agreements	2,839
Restricted for Drug Forfeiture Expenditures by Agreement	70,691
Restricted for Semprebon Fund for the Bike Path and Other Non-Operating Expenditures by Bequest	595,699
Restricted for TIF District Debt Service by Charter	5,011
Restricted for Cemetery Trust Fund Expenditures by Endowments and Trust Agreements – Non-Expendable Portion – Estimated	816,887
Restricted for Cemetery Trust Fund Expenditures by Endowments and Trust Agreements – Expendable Portion	<u>355,336</u>
Total Governmental Activities	<u>\$1,940,418</u>

The designated net position of the City as of June 30, 2021 consisted of the following:

Business-type Activities:	
Water Fund:	
Designated for Water Fund Capital Expenditures	<u>\$469,176</u>
Total Business-type Activities	<u>\$469,176</u>

The unrestricted deficit in the Sewer Fund of \$603,437 will be funded in future years with additional revenues.

CITY OF BARRE, VERMONT
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The net position held in trust for various purposes in the City's Private-Purpose Trust Funds as of June 30, 2021 consisted of the following:

Private-Purpose Trust Funds:	
Restricted for Keith Fund by Donations	\$ 17,338
Restricted for Brusa Fund by Bequest	<u>90,833</u>
 Total Private-Purpose Trust Funds	 <u>\$108,171</u>

V. OTHER INFORMATION

A. Pension 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, 2020, the measurement date selected by the State of Vermont, the retirement system consisted of 353 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.

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.

CITY OF BARRE, VERMONT
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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

As of June 30, 2020, the measurement date selected by the State of Vermont, VMERS was funded at 74.52% and had a plan fiduciary net position of \$740,052,895 and a total pension liability of \$993,026,959 resulting in a net position liability of \$252,974,064. As of June 30, 2021, the City's proportionate share of this was 1.9317% resulting in a net pension liability of \$4,886,581. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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 1.9317% was a decrease of 0.1143 from its proportion measured as of the prior year.

For the year ended June 30, 2021, the City recognized pension expense of \$1,084,292.

As of June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 440,091	\$ 14,484
Difference between projected and actual investment earnings on pension assets	467,360	0
Changes in assumptions	655,135	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,002	169,138
City's required employer contributions made subsequent to the measurement date	445,778	0
	\$ 2,021,366	\$ 183,622

The deferred outflows of resources resulting from the City's required employer contributions made subsequent to the measurement date in the amount of \$445,778 will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

CITY OF BARRE, VERMONT
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Year Ending <u>June 30</u>	
2022	\$ 385,228
2023	402,484
2024	359,983
2025	<u>244,271</u>
Total	<u>\$1,391,966</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 – 3.00%. Group B – 5.375%. Group C – 10.50%. Group D – 11.85%.

Employer Contributions – Group A – 4.50%. Group B – 6.00%. Group C – 7.75%. Group D – 10.35%.

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

Significant Actuarial Assumptions and Methods

Investment Rate of Return: 7.00%, net of pension plan investment expenses, including inflation, a decrease from 7.50% in the prior year.

CITY OF BARRE, VERMONT
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Salary increases: Varying service-based rates from 0-10 years of service, then a single rate of 4.50% (includes assumed inflation rate of 2.30%) for all subsequent years.

Mortality:

Pre-Retirement: Groups A, B and C – 40% PubG-2010 General Employee below-median and 60% of PubG-2010 General Employee, with generational projection using scale MP-2019. Group D – PubG-2010 General Employee above-median, with generational projection using scale MP-2019.

Healthy Post-retirement – Retirees: Groups A, B and C – 104% of 40% PubG-2010 General Healthy Retiree below-median and 60% of PubG-2010 General Healthy Retiree, with generational projection using scale MP-2019. Group D – PubG-2010 General Healthy Retiree, with generational projection using scale MP-2019.

Healthy Post-retirement – Beneficiaries: Groups A, B and C – 70% Pub-2010 Contingent Survivor below-median and 30% of Pub-2010 Contingent Survivor, with generational projection using scale MP-2019. Group D – Pub-2010 Contingent Survivor, with generational projection using scale MP-2019.

Disabled Post-retirement: All Groups – PubNS-2010 Non-Safety Disabled Retiree Mortality Table with generational projection using scale MP-2019.

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

Cost-of-Living Adjustments: 1.10% for Group A members and 1.20% for Groups B, C and D members. The January 1, 2020 and January 1, 2021 COLAs are 0.80% and 0.40%, 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: 2.30%

CITY OF BARRE, VERMONT
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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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	29%	7.07%
US Equity – Large Cap	4%	6.19%
US Equity – Small/Mid Cap	3%	6.93%
Non-US Equity – Large Cap	5%	7.01%
Non-US Equity – Small Cap	2%	7.66%
Emerging Markets Debt	4%	3.66%
Core Bond	20%	0.39%
Private & Alternate Credit	10%	6.03%
US TIPS	3%	(0.20)%
Core Real Estate	5%	4.06%
Non-Core Real Estate	3%	6.43%
Private Equity	10%	11.27%
Infrastructure/Farmland	2%	5.44%

Discount Rate – The discount rate used to measure the total pension liability was 7.00%, a decrease from 7.50% in the prior year. The projection of cash flows used to determine the discount rate assumed plan member and employer contributions will be made at rates set by the Board (employers) and statute (members) with scheduled increases through July 1, 2021. Further, based upon Board resolution, projected contributions beginning July 1, 2022, and each subsequent July 1, through 2025 include additional total contribution increases of 0.50% per year. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plans' Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2020. 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 7.00 percent, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (6.00%) or one percent higher (8.00%):

CITY OF BARRE, VERMONT
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<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
\$7,465,705	\$4,886,581	\$2,764,507

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.

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 2021 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. The City no longer allows new entrants to this plan.

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 \$6,913,046 while its covered payroll for this plan was \$265,623. During the year ended June 30, 2021, the City contributed \$42,500 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.

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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.

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, 2021, property taxes became due and payable on September 15, 2020, November 16, 2020, February 16, 2021 and May 17, 2021. 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 2021 were as follows:

	<u>Homestead</u>	<u>Non-Homestead</u>
Education	1.4190	1.6893
Municipal	1.9141	1.9141
Local Agreement	<u>0.0234</u>	<u>0.0234</u>
Total	<u>3.3565</u>	<u>3.6268</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, 2021 was \$73,067.

CITY OF BARRE, VERMONT
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E. Gift Annuity

The City receives an annual payment of approximately \$50,000 in perpetuity from a gift annuity established by the late Charles Semprebbon 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. Lease Receivable

The City has an agreement to lease a portion of the municipal auditorium facility for the purpose of installation and operation of a telecommunications transmitter site. The lease was initially for five years with options to extend varying from a total of eight years to fifteen years. Lease revenue totaled \$62,424 for the year ended June 30, 2021. 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.

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.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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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.

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.

CITY OF BARRE, VERMONT
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- 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.
- 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.

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- D. The City Council reserves the right to identify City prioritized areas and can thus award a bonus percentage of the education position 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.

During the fiscal year ended June 30, 2021, the City has three (3) stabilization contracts. The municipal tax impact of the tax stabilization agreements was \$106,963, which was then spread over all other taxable properties. The impact on education taxes was \$94,401, 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. As part of the agreement the State and City exchanged checks in the fall of 2021 in which the State paid \$379,175 and the City Paid \$386,758. The remaining payments are as follows:

June 1, 2022	\$332,000
June 1, 2023	\$324,395
December 15, 2023	\$104,022

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
General Tax Revenue:			
General Taxes	\$ 9,007,442	\$ 8,900,382	\$ (107,060)
Washington County Tax	41,703	41,073	(630)
Voter Approved Assistance	149,401	134,601	(14,800)
CV Public Safety Authority	26,500	26,500	0
BADC Barre Rock Solid	40,000	40,000	0
Total General Tax Revenue	<u>9,265,046</u>	<u>9,142,556</u>	<u>(122,490)</u>
Business Licenses:			
Liquor Licenses	3,700	3,515	(185)
Miscellaneous Licenses	1,200	699	(501)
Restaurant Licenses	4,000	2,945	(1,055)
Taxicab and Taxidriver Licenses	2,000	504	(1,496)
Theater Licenses	250	252	2
Trucking, Rubbish and Waste	4,800	5,530	730
Entertainment	4,200	2,320	(1,880)
Total Business Licenses	<u>20,150</u>	<u>15,765</u>	<u>(4,385)</u>
Payment in Lieu of Taxes:			
Capstone	23,000	24,120	1,120
Barre Housing	58,000	44,000	(14,000)
State of Vermont	240,000	224,565	(15,435)
Total Payment in Lieu of Taxes	<u>321,000</u>	<u>292,685</u>	<u>(28,315)</u>
Fees and Franchises:			
Animal Control Licenses	8,000	4,882	(3,118)
Tax Equalization	0	3,356	3,356
Hold Harmless	0	7,543	7,543
Act 68 Administration Revenue	12,000	16,286	4,286
Building and Zoning Fees	65,000	54,792	(10,208)
Vehicle Registrations	450	12	(438)
Delinquent Tax Collector Fee	42,000	42,347	347
Parking Meters	120,000	55,269	(64,731)
Green Mountain Passports	100	58	(42)
Parking Permits	95,000	85,673	(9,327)
Marriage Licenses	700	570	(130)
Miscellaneous Income	4,500	1,775	(2,725)
Police Department Fees	5,000	4,984	(16)
Recording Fees	75,000	85,793	10,793
Recreation Fees	1,500	340	(1,160)
Swimming Pool Admissions/DAY CAMP	14,300	0	(14,300)
Concession Fees	1,250	1,500	250
Vault Fees	1,200	1,205	5
Cell Tower Fees	43,857	47,483	3,626

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Fees and Franchises/(Cont'd):			
Fire Alarm Maintenance Fees	\$ 12,000	\$ 14,506	\$ 2,506
Rental Property Registration	100,000	109,088	9,088
Delinquent Rental Permits	1,000	706	(294)
Tax Stabilization Application Fees	0	250	250
Burn Permits	3,500	4,060	560
Credit Card Processing Fees	2,000	9,280	7,280
FD Public Report Fees	100	80	(20)
EV Charging Station	400	303	(97)
Time of Sale Inspection Fees	0	3,525	3,525
	<u>608,857</u>	<u>555,666</u>	<u>(53,191)</u>
Total Fees and Franchises			
Fines and Penalties:			
City Ordinance Violations	1,000	923	(77)
Penalties and Interest on Miscellaneous Fines	2,600	(376)	(2,976)
Delinquent Tax Interest	35,000	34,754	(246)
Traffic Court	3,000	10,528	7,528
Parking Tickets	55,000	13,394	(41,606)
	<u>96,600</u>	<u>59,223</u>	<u>(37,377)</u>
Total Fines and Penalties			
Federal and State Aid:			
State Reimbursements	0	86,057	86,057
Federal Stimulus Aid - COVID19 Ambulance	0	63,359	63,359
Highway Aid	137,000	179,082	42,082
COPS Police Grant	83,332	0	(83,332)
Police Grants	0	2,190	2,190
State SIU Grant	60,000	60,000	0
ODV Circle Grant	41,000	30,578	(10,422)
	<u>321,332</u>	<u>421,266</u>	<u>99,934</u>
Total Federal and State Aid			
Rents and Leases:			
Auditorium	62,000	11,846	(50,154)
Alumni Rental/lease	18,500	3,495	(15,005)
BOR Rents and Leases	158,700	107,092	(51,608)
Special Projects - Custodial Fees	12,500	1,609	(10,891)
Miscellaneous Rents	1,800	0	(1,800)
	<u>253,500</u>	<u>124,042</u>	<u>(129,458)</u>
Total Rents and Leases			

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Charges for Services:			
Williston FD	\$ 28,000	\$ 27,557	\$ (443)
First Branch Ambulance Billing	8,000	12,338	4,338
White River Ambulance Billing	35,000	20,280	(14,720)
East Montpelier Ambulance Billing	12,000	9,900	(2,100)
Ambulance Inc - Lift Assist	575,000	514,219	(60,781)
Enterprise Funds	958,934	958,934	0
City Report - School	2,500	2,500	0
Operation/Maintenance - Jail	18,000	4,869	(13,131)
Dispatch Services	60,569	52,482	(8,087)
School Resource Officers	136,300	98,382	(37,918)
Special Projects - Police Detail	20,000	2,164	(17,836)
Special Projects - Fire Detail	5,000	1,796	(3,204)
	<u>1,859,303</u>	<u>1,705,421</u>	<u>(153,882)</u>
Total Charges for Services			
Cemetery Revenue:			
Rents	5,100	5,100	0
Perpetual Care Fund Transfer	0	2,750	2,750
Flower Trust Fund Transfer	500	500	0
Trust Fund Interest	25,000	25,000	0
Entombments	653	2,000	1,347
Foundations	4,900	11,989	7,089
Interments	77,793	82,020	4,227
Markers/Post	2,000	2,040	40
Tent Setups	1,000	600	(400)
Lot Sales	20,000	16,116	(3,884)
Tours/DVD Sales	1,500	105	(1,395)
	<u>138,446</u>	<u>148,220</u>	<u>9,774</u>
Total Cemetery Revenue			
Miscellaneous Revenue:			
Interest Income	60,000	19,226	(40,774)
Limelite Settlement	3,200	3,200	0
Transfers from Other Funds	56,000	56,000	0
Semprebon Annuity	50,000	60,625	10,625
	<u>169,200</u>	<u>139,051</u>	<u>(30,149)</u>
Total Miscellaneous Revenue			
Total Revenues	<u>13,053,434</u>	<u>12,603,895</u>	<u>(449,539)</u>

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	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Expenditures:			
Administrative and General:			
Personnel Services	\$ 8,000	\$ 4,577	\$ 3,423
FICA	612	534	78
City Council's Expenses	15,000	6,265	8,735
Telephone	150	206	(56)
Office Machines Maintenance	9,500	8,629	871
Annual Audit	35,000	26,147	8,853
City Report	5,000	6,254	(1,254)
Dues/Membership Fees	25,725	25,699	26
Holiday Observance	3,000	0	3,000
Postage Meter Contract	1,800	1,947	(147)
Advertising/Printing	13,000	17,640	(4,640)
Office Machines Supplies	3,000	1,680	1,320
Postage For Meter	15,000	15,157	(157)
Email Licenses	3,985	4,255	(270)
Software/City Hall	10,730	28,337	(17,607)
Printer/City Hall	3,500	4,979	(1,479)
COVID-19 Materials	0	2,340	(2,340)
Total Administrative and General	<u>153,002</u>	<u>154,646</u>	<u>(1,644)</u>
Assessor:			
Personnel Services	53,375	52,611	764
Overtime	250	0	250
FICA	4,083	3,998	85
Training and Development	300	0	300
Telephone	750	825	(75)
Equipment Purchase/SW Licenses	5,500	6,016	(516)
Advertising/Printing	300	1,835	(1,535)
Glasses	200	565	(365)
Office Supplies	750	94	656
Office Equipment	500	0	500
Contracted Services	46,000	34,042	11,958
Total Assessor	<u>112,008</u>	<u>99,986</u>	<u>12,022</u>
Legal Expenses:			
Professional Services - City Attorney	25,000	28,645	(3,645)
Professional Services - Labor	7,500	2,721	4,779
Contract Negotiations	5,000	16,609	(11,609)
Total Legal Expenses	<u>37,500</u>	<u>47,975</u>	<u>(10,475)</u>

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	Budget	Actual	Variance Favorable/ (Unfavorable)
City Manager:			
Personnel Services	\$ 220,442	\$ 219,404	\$ 1,038
Overtime	0	145	(145)
FICA	16,864	16,585	279
IT Contract	2,800	442	2,358
Website Vendor Maintenance	1,250	1,462	(212)
Network HW/SW Expenses	183	1,028	(845)
Training/Development	2,250	243	2,007
Manager's Expenses	1,500	269	1,231
Secure Shred	700	315	385
Telephone	3,000	3,801	(801)
Dues/Memberships	1,500	150	1,350
Advertising/Printing	1,200	0	1,200
Car Maintenance and Supplies	2,771	2,734	37
Glasses	570	0	570
Office Supplies/Equipment	2,000	1,507	493
Computer Equipment/Software	0	2,625	(2,625)
	<u>257,030</u>	<u>250,710</u>	<u>6,320</u>
Total City Manager			
	<u>257,030</u>	<u>250,710</u>	<u>6,320</u>
Finance:			
Personnel Services	205,311	214,592	(9,281)
Overtime Allowance	2,000	0	2,000
FICA	15,859	15,495	364
Consultant Fees	2,500	166	2,334
Training/Development	750	110	640
Travel/Meals	200	0	200
Telephone	825	1,238	(413)
Equipment Purchase Contract	5,000	833	4,167
Advertising/Printing	1,000	615	385
Computer Maintenance	750	0	750
Glasses	690	113	577
Computer Supplies	1,000	56	944
Computer Forms	2,500	700	1,800
Office Supplies	3,200	681	2,519
Computer Equipment/Software	2,500	6,593	(4,093)
Annual Disaster Recovery	550	563	(13)
	<u>244,635</u>	<u>241,755</u>	<u>2,880</u>
Total Finance			
	<u>244,635</u>	<u>241,755</u>	<u>2,880</u>
Elections:			
Personnel Services	5,500	5,421	79
Program Materials	5,000	4,325	675
BCA Expenses	500	88	412
	<u>11,000</u>	<u>9,834</u>	<u>1,166</u>
Total Elections			
	<u>11,000</u>	<u>9,834</u>	<u>1,166</u>

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Clerk's Office:			
Personnel Services	\$ 142,629	\$ 160,066	\$ (17,437)
Delinquent Ticket Admin Clerk	0	0	0
Overtime Allowance	1,000	29	971
FICA	10,988	11,608	(620)
Training/Development	750	75	675
Travel/Meals	200	0	200
Telephone	1,600	1,238	362
Maintenance of Office Machines	300	317	(17)
Recording of Records	14,000	12,573	1,427
Advertising (Taxes)	4,500	2,233	2,267
Credit Card Expenses	3,000	11,069	(8,069)
Glasses	590	619	(29)
Office Supplies/Equipment	2,000	1,414	586
Program Materials	4,500	3,046	1,454
Computer Equipment/Software	2,000	1,217	783
Total Clerk's Office	188,057	205,504	(17,447)
Animal Control:			
Professional Services/Fees	3,000	1,230	1,770
Humane Society Fees	6,000	6,600	(600)
Total Animal Control	9,000	7,830	1,170
Fire Department:			
Regular Salaries	1,306,997	1,345,347	(38,350)
Overtime Salaries	196,033	157,948	38,085
Part-Time Employees	12,747	1,283	11,464
Incentive Pay	11,850	0	11,850
FICA	116,863	109,830	7,033
Consulting Fees	1,000	1,676	(676)
Legal Claims Deductibles	0	475	(475)
Ambulance Revenue Tax	18,975	13,678	5,297
Training/Development	4,500	2,559	1,941
Emgt Training/Development	5,300	2,801	2,499
Travel/Meals	1,500	567	933
Ambulance Billing Training	2,500	1,500	1,000
Telephone	4,700	6,344	(1,644)
Cell Phones	5,400	4,123	1,277
Dues/Membership Fees	2,500	2,193	307
Advertising/Printing	250	0	250
Physicals	5,000	1,858	3,142
Breathing Apparatus	15,000	12,968	2,032
Fire Hose	5,000	4,768	232
Radios/Pagers	5,000	1,321	3,679

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Fire Department/(Cont'd):			
Car and Truck Maintenance	\$ 35,000	\$ 30,453	\$ 4,547
Radio Repair	4,000	1,935	2,065
Fire Alarm Maintenance	3,600	642	2,958
Secure Vacant Property	500	66	434
Fuel Oil	250	20	230
Vehicle Fuel	20,000	11,259	8,741
Clothing	12,000	8,064	3,936
Safety Equipment	15,000	15,870	(870)
Footwear	4,850	1,890	2,960
Glasses	3,990	3,004	986
Dry Cleaning	750	307	443
Furniture/Appliances	1,600	1,600	0
Office Supplies	5,500	4,423	1,077
Medical Supplies and Equipment	32,000	24,467	7,533
Oxygen	2,000	4,505	(2,505)
Training Supplies	1,000	962	38
Defibulator Preventative Maintenance	5,500	5,127	373
Fire Prevention Program	500	136	364
Fire Investigation Materials	0	303	(303)
Email Accounts	2,165	2,128	37
COVID-19 Materials	0	3,726	(3,726)
Computer Software/Office Equipment	17,400	16,628	772
Computer Replacement	2,150	2,735	(585)
Office Equipment Leases	4,500	0	4,500
	<u>1,895,370</u>	<u>1,811,489</u>	<u>83,881</u>
Total Fire Department			
City Hall Maintenance:			
Personnel Services	22,215	18,898	3,317
FICA	1,699	1,283	416
City Hall Electricity	7,000	6,602	398
City Hall Solar Project	7,000	7,250	(250)
Rubbish Removal	2,800	3,059	(259)
Water Bills	3,500	2,769	731
City Hall Improvements/Repairs	35,000	67,006	(32,006)
Fuel Oil	40,000	27,493	12,507
Clothing	650	566	84
Footwear	84	70	14
Glasses	100	180	(80)
Custodial Supplies	2,500	1,361	1,139
Building/Grounds Supplies	2,000	923	1,077
	<u>124,548</u>	<u>137,460</u>	<u>(12,912)</u>
Total City Hall Maintenance			

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Meters:			
Personnel Services	\$ 67,142	\$ 46,392	\$ 20,750
FICA	5,136	3,141	1,995
Electricity - Merchant's Row	400	561	(161)
EVCS Maintenance	600	658	(58)
Towing Fees	4,000	828	3,172
Advertising/Printing	500	0	500
Pager/Air Cards	1,600	1,583	17
Meter Maintenance	2,000	438	1,562
Meter Coin Handling	1,000	0	1,000
Clothing	750	0	750
Footwear	350	147	203
Glasses	185	185	0
Meter Supplies	4,500	3,624	876
Meter Systems - Software	4,600	3,441	1,159
Program Materials	1,300	967	333
Meter Handhelds Replacement	1,000	12,000	(11,000)
	<u>95,063</u>	<u>73,965</u>	<u>21,098</u>
Total Meters			
Police Department:			
Regular Salaries	1,496,538	1,397,430	99,108
COPS Grant	105,792	0	105,792
Overtime	118,937	234,170	(115,233)
Incentive Pay	3,300	4,000	(700)
Training Payroll	17,451	18,806	(1,355)
Part-Time Employees	25,275	6,822	18,453
FICA	131,277	123,523	7,754
Professional Services - Legal	1,000	0	1,000
Consultant Fees	1,000	0	1,000
Training and Development	8,000	3,136	4,864
Travel and Meals	2,500	122	2,378
Telephone	1,600	1,326	274
Computer Access	5,500	12,002	(6,502)
Office Machines Maintenance	10,200	9,848	352
Advertising	200	0	200
Lock-Up Meals	3,000	2,042	958
Physicals	500	0	500
Pagers	8,250	8,582	(332)
Car Maintenance	20,000	24,258	(4,258)
Taser Assurance Program	3,582	4,176	(594)
Taser Cartridges	0	2,201	(2,201)
Radio Repair	1,000	600	400
Vehicle Fuel	30,000	21,727	8,273
Clothing	10,000	7,039	2,961

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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, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
Police Department/(Cont'd):			
Equipment - Safety	\$ 14,000	\$ 5,202	\$ 8,798
Ammunition	6,600	5,408	1,192
Footwear	2,000	1,626	374
Glasses	3,794	1,358	2,436
Dry Cleaning	5,000	3,648	1,352
PD Security Equipment	1,000	0	1,000
Office Supplies	5,000	4,010	990
Training Supplies	1,000	875	125
Juvenile Program	500	0	500
K-9 Program	1,500	1,465	35
Investigations Materials	4,000	15,791	(11,791)
Lock-Up Materials	2,000	0	2,000
COVID-19 Materials	0	1,077	(1,077)
Computer Equipment/Software	3,500	4,605	(1,105)
Machine/Equipment Outlay	2,500	0	2,500
Radios	0	535	(535)
Total Police Department	2,057,296	1,927,410	129,886
Dispatch Services:			
Regular Salaries	385,579	361,251	24,328
Overtime	92,485	89,825	2,660
Training Payroll	2,120	253	1,867
Dispatcher	530	0	530
Part-time Dispatchers	5,300	34,848	(29,548)
Incentive Pay	400	400	0
FICA	37,211	35,562	1,649
Training/Development	2,000	1,724	276
Travel/Meals	1,000	0	1,000
Telephone	3,900	4,085	(185)
Computer Access	8,100	9,002	(902)
Office Machine Maintenance	800	1,457	(657)
Radio Maintenance	4,000	261	3,739
Glasses	1,110	245	865
Tower Rental Fee	2,100	1,913	187
Office Supplies/Equipment	3,000	933	2,067
Dispatch Center Console Maintenance	25,000	25,000	0
Computers	2,500	2,589	(89)
Total Dispatch Services	577,135	569,348	7,787
Street Lighting:			
Electricity	139,388	148,657	(9,269)
Pedway/Keith Ave Lot Lighting	0	834	(834)
Total Street Lighting	139,388	149,491	(10,103)
Traffic Control:			
Traffic Light Electricity	8,000	6,320	1,680
Traffic Light Maintenance	15,000	24,678	(9,678)
Total Traffic Control	23,000	30,998	(7,998)

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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, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Favorable/ (Unfavorable)
Aldrich Library:	\$ 230,000	\$ 230,000	\$ 0
Facilities:			
Personnel Services	66,788	70,579	(3,791)
FICA	5,109	5,109	0
Electricity - 135N Main	2,000	514	1,486
Electricity - Pool	1,000	263	737
Water Bills	4,000	3,377	623
Car/Truck Maintenance	2,500	5,347	(2,847)
Field Maintenance	3,500	5,890	(2,390)
Pool and Building Maintenance	9,000	12,894	(3,894)
Fuel - 135N Main	2,333	2,362	(29)
Vehicle Fuel	4,000	2,274	1,726
Clothing	500	570	(70)
Footwear	168	0	168
Glasses	190	0	190
Office Supplies	500	971	(471)
COVID-19 Materials	0	408	(408)
Equipment Outlay	2,000	1,922	78
Total Facilities	<u>103,588</u>	<u>112,480</u>	<u>(8,892)</u>
Auditorium:			
Personnel Services	89,847	73,789	16,058
Overtime	1,000	597	403
FICA	6,950	5,253	1,697
Electricity	10,000	8,062	1,938
Solar Project	10,000	17,243	(7,243)
Rubbish Removal	7,000	4,953	2,047
Telephone	3,000	2,639	361
Water Bills	3,000	2,605	395
IT	3,000	2,301	699
Building and Grounds Maintenance	35,000	13,093	21,907
Annex Maintenance	10,000	7,716	2,284
Fuel Oil	35,000	22,402	12,598
Bottled Gas	600	4,314	(3,714)
Clothing	2,400	2,306	94
Footwear	336	175	161
Glasses	400	0	400
Custodial Supplies	4,000	1,526	2,474
Machines/Equipment Outlay	2,250	1,836	414
Total Auditorium	<u>223,783</u>	<u>170,810</u>	<u>52,973</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, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
BOR:			
Personnel Services	\$ 85,771	\$ 78,785	\$ 6,986
Overtime	1,500	1,656	(156)
FICA	6,676	5,931	745
Electricity	17,000	21,782	(4,782)
Solar Project	30,000	25,872	4,128
Telephone	800	568	232
Water Bills	13,300	17,989	(4,689)
Building/Grounds Maintenance	25,000	19,973	5,027
Bottled Gas	11,250	8,075	3,175
Clothing	2,500	2,081	419
Footwear	336	0	336
Glasses	400	565	(165)
Custodial Supplies	2,000	113	1,887
Computer	1,800	1,655	145
Supplies/Equipment	10,000	11,666	(1,666)
Total BOR	208,333	196,711	11,622
Public Safety Building:			
Personnel Services	22,215	46,168	(23,953)
Overtime	1,000	3,920	(2,920)
FICA	1,776	3,650	(1,874)
Electricity	12,000	17,592	(5,592)
Solar Project	20,000	16,333	3,667
Rubbish Removal	3,500	3,998	(498)
Water Bills	4,000	3,520	480
Buildings and Grounds Maintenance	45,000	48,655	(3,655)
Fuel Oil	750	631	119
Bottled Gas	22,000	19,527	2,473
Clothing	600	521	79
Footwear	84	70	14
Glasses	1,000	180	820
Custodial Supplies	5,000	4,548	452
COVID-19 Materials	0	3,757	(3,757)
Total Public Safety Building	138,925	173,070	(34,145)

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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, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
Recreation:			
Personnel Services	\$ 68,748	\$ 73,915	\$ (5,167)
Skateguard Personnel	3,000	0	3,000
Pool Personnel	16,445	616	15,829
FICA	6,747	5,322	1,425
Training and Development	1,500	102	1,398
Travel and Meals	300	28	272
Telephone	1,000	1,287	(287)
Dues, Memberships and Fees	400	400	0
Advertising/Printing	500	463	37
Municipal Pool Supplies/Equipment	1,200	1,214	(14)
Tennis Court Equipment	500	512	(12)
Glasses	190	155	35
Office Supplies	500	262	238
Recreation Supplies	3,000	660	2,340
Recreation Programs	2,500	314	2,186
	<u>106,530</u>	<u>85,250</u>	<u>21,280</u>
Total Recreation			
Sanitary Landfill:			
Property Tax	2,900	2,980	(80)
CVSWMD Assessment	8,605	4,303	4,302
	<u>11,505</u>	<u>7,283</u>	<u>4,222</u>
Total Sanitary Landfill			
Engineering:			
Personnel Services	206,324	178,219	28,105
Overtime	4,000	9,260	(5,260)
FICA	16,090	14,107	1,983
Training and Development	0	150	(150)
Travel and Meals	0	109	(109)
Telephone	2,250	1,870	380
Office Machines Maintenance	500	0	500
Engineering Equipment	4,500	0	4,500
Vehicle Reimbursement	2,500	1,554	946
Radio Maintenance	500	55	445
Clothing	0	153	(153)
Footwear	336	0	336
Glasses	590	565	25
Office Supplies/Equipment	2,000	3,188	(1,188)
COVID-19 Materials	0	31	(31)
Computer Equipment/Software	2,500	1,880	620
	<u>242,090</u>	<u>211,141</u>	<u>30,949</u>
Total Engineering			

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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, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
Permitting, Planning and Inspections:			
Personnel Services	\$ 108,956	\$ 108,619	\$ 337
Overtime	1,000	0	1,000
Contracted Services	10,000	0	10,000
FICA	8,412	7,883	529
Professional Services	10,000	0	10,000
Training and Development	1,000	20	980
Travel and Meals	500	0	500
Telephone	1,250	1,528	(278)
Dues and Memberships	250	80	170
Advertising and Printing	2,000	1,267	733
Glasses	380	0	380
Supplies and Equipment	1,500	725	775
Computer Equipment/Software	7,000	7,374	(374)
Total Permitting, Planning and Inspections	<u>152,248</u>	<u>127,496</u>	<u>24,752</u>
Community Development:			
Barre Partnership	65,000	65,000	0
Barre Area Development	51,744	44,515	7,229
Main Street Maintenance	1,000	1,901	(901)
Total Community Development	<u>117,744</u>	<u>111,416</u>	<u>6,328</u>
Public Parks and Trees - Maintenance:			
Electricity - Currier	800	777	23
Public Parks Tree Maintenance	10,000	2,600	7,400
Total Public Parks and Trees - Maintenance	<u>10,800</u>	<u>3,377</u>	<u>7,423</u>
Street Department - Public Works:			
Personnel Services	650,128	502,723	147,405
Overtime	0	48,789	(48,789)
FICA	49,735	40,649	9,086
Claims/Deductibles	8,000	1,500	6,500
Consultant Services	0	2,627	(2,627)
Storm Water Permit	5,500	13,229	(7,729)
Training/Development	1,500	947	553
Travel and Meals	250	0	250
Electricity	10,000	8,513	1,487
Rubbish Removal	5,000	4,636	364
Telephone	2,000	1,466	534
Equipment Rental - Snow	7,000	825	6,175
Equipment Rental - Streets	15,000	0	15,000
Advertising/Printing	1,500	229	1,271
Snow Damage - Vehicles	1,000	0	1,000
Snow Damage - Plows	2,500	637	1,863
Barricades - Lights	500	602	(102)
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, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
Street Department - Public Works/(Cont'd):			
Guardrails	\$ 5,000	\$ 0	\$ 5,000
Tiles and Grates - Surface Sewer	2,500	0	2,500
Radio Maintenance	3,500	430	3,070
Building and Grounds Maintenance	10,500	11,246	(746)
Equipment Maintenance - Streets	55,000	29,635	25,365
Snow Equipment Maintenance	17,500	11,032	6,468
Truck Maintenance - Streets	70,000	76,800	(6,800)
Bridge Maintenance	2,500	0	2,500
Street Painting	7,500	3,764	3,736
Yard Waste	3,500	149	3,351
Roadside Mowing	6,000	300	5,700
Fuel Oil - Garage	27,250	11,847	15,403
Vehicle Fuel	45,000	24,398	20,602
Bottled Gas	250	0	250
Vehicle Grease/Oil	7,000	2,124	4,876
Clothing	14,000	10,943	3,057
Equipment - Safety	4,500	1,001	3,499
Footwear	2,640	1,811	829
Glasses	2,622	711	1,911
Office Expense	750	294	456
Small Tools	2,500	1,012	1,488
Supplies - Garage	7,500	13,242	(5,742)
Supplies - Sidewalks	750	23,611	(22,861)
Supplies - NSC	1,500	4,446	(2,946)
Supplies - Surface Sewer	7,500	16,591	(9,091)
Supplies - Streets	7,500	9,982	(2,482)
Supplies - Snow Removal	10,000	92	9,908
Bituminous Hot Mix - Streets	12,500	10,055	2,445
Bituminous Hot Mix - Surface Sewer	2,500	332	2,168
Chloride - Snow	1,500	0	1,500
Concrete - SW	5,000	0	5,000
Gravel - Streets	1,500	0	1,500
Kold Patch - Streets	8,500	2,466	6,034
Salt	210,000	119,010	90,990
Sand	6,500	192	6,308
Street Signs	4,500	4,844	(344)
KA Parking Lot/SW Expense	0	1,037	(1,037)
Street Light Maintenance	5,000	12,902	(7,902)
Computer Equipment/Software	2,500	2,030	470
Total Street Department - Public Works	<u>1,348,875</u>	<u>1,035,701</u>	<u>313,174</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, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
Cemetery:			
Personnel Services	\$ 118,144	\$ 71,040	\$ 47,104
Overtime	500	1,100	(600)
FICA	9,076	5,519	3,557
Training/Development	150	0	150
Travel/Meals	100	0	100
Telephone	1,500	1,257	243
Electricity - Office	600	550	50
Veterans Flags	2,000	1,750	250
Car/Truck Maintenance	1,000	1,285	(285)
Building Maintenance - Hope	1,500	1,294	206
Mausoleum Maintenance	1,500	1,500	0
Building/Ground Maintenance - Elmwood	3,500	1,197	2,303
Contracted Services	1,000	0	1,000
Hope Maintenance	14,000	6,218	7,782
St Monica Maintenance	2,000	184	1,816
Grounds & Buildings	1,650	1,691	(41)
Equipment Maintenance	3,000	3,089	(89)
Fuel Oil - Office	800	251	549
Vehicle Fuel	5,000	2,719	2,281
Clothing	1,000	1,050	(50)
Equipment - Safety	200	32	168
Footwear	200	0	200
Glasses	190	0	190
Office Supplies/Equipment	500	65	435
Small Tools	750	306	444
Cemetery Trust	6,500	4,870	1,630
Foundations	3,000	5,249	(2,249)
Machine/Equipment	7,500	52	7,448
Total Cemetery	186,860	112,268	74,592
Insurance:			
Health Insurance	1,361,671	1,113,823	247,848
Life Insurance	56,062	40,022	16,040
Dental Insurance	36,699	30,515	6,184
Total Insurance	1,454,432	1,184,360	270,072
City Pension Plan:			
City Pension Plan	426,517	470,764	(44,247)
Consultant Services	3,000	2,630	370
Total City Pension Plan	429,517	473,394	(43,877)

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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, 2021

	Budget	Actual	Variance Favorable/ (Unfavorable)
Debt Service:			
Principal Payments	\$ 672,816	\$ 672,766	\$ 50
Interest Expense	<u>227,149</u>	<u>172,935</u>	<u>54,214</u>
Total Debt Service	<u>899,965</u>	<u>845,701</u>	<u>54,264</u>
General Insurance:			
Worker's Compensation	624,361	574,488	49,873
Unemployment Insurance	15,600	26,343	(10,743)
Property and Casualty	<u>213,460</u>	<u>205,916</u>	<u>7,544</u>
Total General Insurance	<u>853,421</u>	<u>806,747</u>	<u>46,674</u>
Washington County Tax:	<u>41,703</u>	<u>41,073</u>	<u>630</u>
Voter Approved Assistance:	<u>149,401</u>	<u>134,601</u>	<u>14,800</u>
VC Public Safety Authority:	<u>26,500</u>	<u>26,500</u>	<u>0</u>
Special Projects:			
Special Projects - FICA	2,513	275	2,238
Special Projects - Custodial	7,850	612	7,238
Special Projects - Fire	5,000	1,390	3,610
Special Projects - Police	<u>20,000</u>	<u>2,018</u>	<u>17,982</u>
Total Special Projects	<u>35,363</u>	<u>4,295</u>	<u>31,068</u>
Miscellaneous Expenses:			
Granite Museum Parking Lot	15,500	15,555	(55)
BADC Rock Solid	40,000	40,000	0
Barre Energy Committee	1,000	0	1,000
Miscellaneous Expenses	0	1,267	(1,267)
BCJC Stipend	6,840	6,840	0
VT VYCC	7,500	0	7,500
Semprebon VCF Trust Projects	50,000	60,625	(10,625)
COVID-19 Expenses	0	49,730	(49,730)
LGER Hazard Pay	0	40,046	(40,046)
SoV COVID Vaccination Pay	0	6,603	(6,603)
SoV BGS Contract Hotel Detail	<u>0</u>	<u>3,038</u>	<u>(3,038)</u>
Total Miscellaneous Expenses	<u>120,840</u>	<u>223,704</u>	<u>(102,864)</u>
Total Expenditures	<u>13,016,455</u>	<u>12,035,779</u>	<u>980,676</u>
Excess of Revenues Over Expenditures	<u>\$ 36,979</u>	568,116	<u>\$ 531,137</u>
Fund Balance - July 1, 2020		<u>1,105</u>	
Fund Balance - June 30, 2021		<u>\$ 569,221</u>	

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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, 2021

	2021	2020	2019	2018	2017	2016	2015
Total Plan Net Pension Liability	\$ 252,974,064	\$ 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	1.9317%	2.0460%	2.0260%	2.1746%	2.1660%	2.0470%	2.1321%
City's Proportionate Share of the Net Pension Liability	\$ 4,886,581	\$ 3,549,718	\$ 2,850,045	\$ 2,634,616	\$ 2,787,514	\$ 1,578,171	\$ 194,585
City's Covered Employee Payroll	\$ 6,364,720	\$ 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	76.7761%	60.3053%	48.3443%	48.5384%	51.5514%	31.4161%	4.3460%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.52%	80.35%	82.60%	83.64%	80.95%	87.42%	98.32%

Notes to Schedule

Benefit Changes: None.

Changes in Assumptions and Methods: The following changes were effective for the June 30, 2020 valuation date:

- The investment return assumption was lowered from 7.50% to 7.00%.
- The inflation assumption was lowered from 2.50% to 2.30%.
- The COLA assumption was lowered from 1.15% to 1.10% for Group A members and from 1.30% to 1.20% for Groups B, C and D members.
- The mortality assumptions were updated as follows:
 - Pre-Retirement:
 - Groups A/B/C - 40% PubG-2010 General Employee below-median and 60% of PubG-2010 General Employee, with generational projection using scale MP-2019.
 - Group D - PubG-2010 General Employee above-median, with generational projection using scale MP-2019.
 - Healthy Post-Retirement - Retirees:
 - Groups A/B/C - 104% of 40% PubG-2010 General Healthy Retiree below-median and 60% of PubG-2010 General Healthy Retiree, with generational projection using scale MP-2019.
 - Group D - PubG-2010 General Healthy Retiree, with generational projection using scale MP-2019.
 - Healthy Post-Retirement - Beneficiaries:
 - Groups A/B/C - 70% Pub-2010 Contingent Survivor below-median and 30% of Pub-2010 Contingent Survivor, with generational projection using scale MP-2019.
 - Group D - Pub-2010 Contingent Survivor, with generational projection using scale MP-2019.
 - Disabled Retirees:
 - All Groups - PubNS-2010 Non-Safety Disabled Retiree Mortality Table with generational projection using scale MP-2019.
- The salary scale assumption was revised for varying service based rates from 0-10 years of service, then a single rate of 2.20% for all subsequent years, plus revised inflation of 2.30%.
- The active retirement rates were updated as follows:
 - Group A: Decreased the rates throughout all ages.
 - Group B: For females, slightly decreased the rates at younger ages and then increased the rates at later ages. For males, slightly decreased the rates at most ages.
 - Group C: Simplified the assumption to a unisex table that more accurately aligns with the actual experience for both males and females.
 - Group D: For members with less than 20 years of service, increased the rates for ages 55-59.
- The inactive retirement assumption was updated to add a rate of 10% from early retirement age for each year until normal retirement age, then 100% at normal retirement age.
- The liability loan of accumulated contributions for Inactive Members was removed. Liabilities for Inactive Members are now based on 100% of the accumulated contributions. Inactive Members who are vested immediately become Deferred Members, and the liabilities for all Deferred Members are based on the accrued benefit.
- The termination rates were updated as follows:
 - Simplified female rates to one set of slightly reduced rates for all females.

Fiscal year 2015 was the first year of implementation, therefore, only seven 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, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution (Actuarially Determined)	\$ 445,778	\$ 400,343	\$ 442,236	\$ 406,810	\$ 355,127	\$ 329,193	\$ 286,143
Contributions in Relation to the Actuarially Determined Contributions	<u>445,778</u>	<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>	<u>\$ 0</u>
City's Covered Employee Payroll	\$ 6,364,720	\$ 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	7.004%	6.801%	7.501%	7.495%	6.568%	6.553%	6.391%

Notes to Schedule

Valuation Date: June 30, 2020

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

CITY OF BARRE, VERMONT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery Trust Fund	Total
<u>ASSETS</u>				
Cash	\$ 452,413	\$ 99,231	\$ 11,588	\$ 563,232
Investments	383,305	0	1,159,486	1,542,791
Receivables	0	1,216	469	1,685
Due from Other Funds	<u>23,055</u>	<u>27,291</u>	<u>680</u>	<u>51,026</u>
Total Assets	<u>\$ 858,773</u>	<u>\$ 127,738</u>	<u>\$ 1,172,223</u>	<u>\$ 2,158,734</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 40,963	\$ 0	\$ 40,963
Due to Other Funds	<u>172,803</u>	<u>54,276</u>	<u>0</u>	<u>227,079</u>
Total Liabilities	<u>172,803</u>	<u>95,239</u>	<u>0</u>	<u>268,042</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Miscellaneous Revenue	<u>0</u>	<u>0</u>	<u>469</u>	<u>469</u>
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>469</u>	<u>469</u>
<u>FUND BALANCES</u>				
Nonspendable	0	0	816,887	816,887
Restricted	662,915	11,325	354,867	1,029,107
Assigned	<u>23,055</u>	<u>21,174</u>	<u>0</u>	<u>44,229</u>
Total Fund Balances	<u>685,970</u>	<u>32,499</u>	<u>1,171,754</u>	<u>1,890,223</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 858,773</u>	<u>\$ 127,738</u>	<u>\$ 1,172,223</u>	<u>\$ 2,158,734</u>

See Disclaimer in Accompanying Independent Auditor's Report.

CITY OF BARRE, VERMONT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery Trust Fund	Total
Revenues:				
Property Taxes	\$ 0	\$ 252,196	\$ 0	\$ 252,196
Intergovernmental	423,367	2,431	0	425,798
Charges for Services	0	0	3,430	3,430
Investment Income	6,039	45	139,884	145,968
Total Revenues	429,406	254,672	143,314	827,392
Expenditures:				
General Government	0	86,883	0	86,883
Public Safety	413,742	0	0	413,742
Culture and Recreation	4,577	6,133	0	10,710
Capital Outlay:				
Culture and Recreation	17,100	0	0	17,100
Debt Service:				
Principal	0	88,000	0	88,000
Interest	0	64,099	0	64,099
Total Expenditures	435,419	245,115	0	680,534
Excess/(Deficiency) of Revenues Over Expenditures	(6,013)	9,557	143,314	146,858
Other Financing Sources/(Uses):				
Transfers In	60,625	5,000	0	65,625
Transfers Out	(15,000)	0	(28,250)	(43,250)
Total Other Financing Sources/(Uses)	45,625	5,000	(28,250)	22,375
Net Change in Fund Balances	39,612	14,557	115,064	169,233
Fund Balances - July 1, 2020	646,358	17,942	1,056,690	1,720,990
Fund Balances - June 30, 2021	\$ 685,970	\$ 32,499	\$ 1,171,754	\$ 1,890,223

See Disclaimer in Accompanying Independent Auditor's Report.

CITY OF BARRE, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2021

	Community Development Fund	Drug Forfeiture Fund	Special Recreation Programs Fund	Semprebon Fund	Justice Center Fund	Total
<u>ASSETS</u>						
Cash	\$ 2,839	\$ 25,383	\$ 0	\$ 424,191	\$ 0	\$ 452,413
Investments	0	58,188	0	325,117	0	383,305
Due from Other Funds	0	0	23,055	0	0	23,055
Total Assets	<u>\$ 2,839</u>	<u>\$ 83,571</u>	<u>\$ 23,055</u>	<u>\$ 749,308</u>	<u>\$ 0</u>	<u>\$ 858,773</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Due to Other Funds	\$ 0	\$ 12,880	\$ 0	\$ 159,923	\$ 0	\$ 172,803
Total Liabilities	0	12,880	0	159,923	0	172,803
Fund Balances:						
Restricted	2,839	70,691	0	589,385	0	662,915
Assigned	0	0	23,055	0	0	23,055
Total Fund Balances	2,839	70,691	23,055	589,385	0	685,970
Total Liabilities and Fund Balances	<u>\$ 2,839</u>	<u>\$ 83,571</u>	<u>\$ 23,055</u>	<u>\$ 749,308</u>	<u>\$ 0</u>	<u>\$ 858,773</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, 2021

	Community Development Fund	Drug Forfeiture Fund	Special Recreation Programs Fund	Semprebou Fund	Justice Center Fund	Total
Revenues:						
Intergovernmental	\$ 0	\$ 23,087	\$ 0	\$ 0	\$ 400,280	\$ 423,367
Investment Income	<u>0</u>	<u>3,858</u>	<u>0</u>	<u>2,181</u>	<u>0</u>	<u>6,039</u>
Total Revenues	<u>0</u>	<u>26,945</u>	<u>0</u>	<u>2,181</u>	<u>400,280</u>	<u>429,406</u>
Expenditures:						
Public Safety	0	13,462	0	0	400,280	413,742
Culture and Recreation	0	0	0	4,577	0	4,577
Capital Outlay:						
Culture and Recreation	<u>0</u>	<u>0</u>	<u>0</u>	<u>17,100</u>	<u>0</u>	<u>17,100</u>
Total Expenditures	<u>0</u>	<u>13,462</u>	<u>0</u>	<u>21,677</u>	<u>400,280</u>	<u>435,419</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>13,483</u>	<u>0</u>	<u>(19,496)</u>	<u>0</u>	<u>(6,013)</u>
Other Financing Sources/(Uses):						
Transfers In	0	0	0	60,625	0	60,625
Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>(15,000)</u>	<u>0</u>	<u>(15,000)</u>
Total Other Financing Sources/(Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>45,625</u>	<u>0</u>	<u>45,625</u>
Net Change in Fund Balances	0	13,483	0	26,129	0	39,612
Fund Balances - July 1, 2020, As Restated	<u>2,839</u>	<u>57,208</u>	<u>23,055</u>	<u>563,256</u>	<u>0</u>	<u>646,358</u>
Fund Balances - June 30, 2021	<u>\$ 2,839</u>	<u>\$ 70,691</u>	<u>\$ 23,055</u>	<u>\$ 589,385</u>	<u>\$ 0</u>	<u>\$ 685,970</u>

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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, 2021

	Shade Tree Improvement Fund	TIF Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Property Taxes	\$ 0	\$ 252,196	\$ 252,196
Intergovernmental	2,431	0	2,431
Investment Income	<u>0</u>	<u>45</u>	<u>45</u>
Total Revenues	<u>2,431</u>	<u>252,241</u>	<u>254,672</u>
Expenditures:			
General Government	0	86,883	86,883
Culture and Recreation	6,133	0	6,133
Debt Service:			
Principal	0	88,000	88,000
Interest	<u>0</u>	<u>64,099</u>	<u>64,099</u>
Total Expenditures	<u>6,133</u>	<u>238,982</u>	<u>245,115</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>(3,702)</u>	<u>13,259</u>	<u>9,557</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	1,298	13,259	14,557
Fund Balances/(Deficit) - July 1, 2020, As Restated	<u>26,190</u>	<u>(8,248)</u>	<u>17,942</u>
Fund Balances - June 30, 2021	<u>\$ 27,488</u>	<u>\$ 5,011</u>	<u>\$ 32,499</u>

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CITY OF BARRE, VERMONT
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION
 PRIVATE-PURPOSE TRUST FUNDS
 JUNE 30, 2021

	Keith Fund	Brusa Fund	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 0	\$ 90,833	\$ 90,833
Investments	17,338	0	17,338
Total Assets	\$ 17,338	\$ 90,833	\$ 108,171
<u>LIABILITIES AND NET POSITION</u>			
Liabilities:	\$ 0	\$ 0	\$ 0
Net Position:			
Restricted:			
Held in Trust for Other Purposes	17,338	90,833	108,171
Total Net Position	17,338	90,833	108,171
Total Liabilities and Net Position	\$ 17,338	\$ 90,833	\$ 108,171

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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, 2021

	Keith Fund	Brusa Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Additions:			
Investment Income	\$ <u>67</u>	\$ <u>47</u>	\$ <u>114</u>
Total Additions	<u>67</u>	<u>47</u>	<u>114</u>
Deductions:	<u>0</u>	<u>0</u>	<u>0</u>
Change in Net Position	67	47	114
Net Position - July 1, 2020	<u>17,271</u>	<u>90,786</u>	<u>108,057</u>
Net Position - June 30, 2021	<u><u>\$ 17,338</u></u>	<u><u>\$ 90,833</u></u>	<u><u>\$ 108,171</u></u>

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CITY OF BARRE, VERMONT
COMBINING BALANCE SHEET
SPECIAL FUND
JUNE 30, 2021

	Special Fund	Donations Fund	Reappraisal Fund	Total
<u>ASSETS</u>				
Receivables	\$ 159,084	\$ 0	\$ 0	\$ 159,084
Due from Other Funds	0	18,566	393,969	412,535
Total Assets	\$ 159,084	\$ 18,566	\$ 393,969	\$ 571,619
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts Payable	\$ 650	\$ 0	\$ 0	\$ 650
Accrued Payroll	990	0	0	990
Due to Other Funds	130,286	0	0	130,286
Total Liabilities	131,926	0	0	131,926
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Grants	139,319	0	0	139,319
Unavailable Miscellaneous Revenue	1,617	0	0	1,617
Total Deferred Inflows of Resources	140,936	0	0	140,936
<u>FUND BALANCES/(DEFICIT)</u>				
Restricted	0	15,016	0	15,016
Assigned/(Deficit)	(113,778)	3,550	393,969	283,741
Total Fund Balances/(Deficit)	(113,778)	18,566	393,969	298,757
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 159,084	\$ 18,566	\$ 393,969	\$ 571,619

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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, 2021

	Special Fund	Donations Fund	Reappraisal Fund	Total
Revenues:				
Intergovernmental	\$ 171,257	\$ 0	\$ 28,526	\$ 199,783
Permits, Licenses and Fees	27,308	0	0	27,308
Donations	19,915	2,110	0	22,025
Total Revenues	218,480	2,110	28,526	249,116
Expenditures:				
General Government	49,000	833	2,480	52,313
Public Safety	68,801	0	0	68,801
Public Works	22,082	0	0	22,082
Culture and Recreation	3,378	0	0	3,378
Capital Outlay:				
Culture and Recreation	304,000	0	0	304,000
Total Expenditures	447,261	833	2,480	450,574
Excess/(Deficiency) of Revenues Over Expenditures	(228,781)	1,277	26,046	(201,458)
Other Financing Sources:				
Transfers In	10,000	0	0	10,000
Total Other Financing Sources	10,000	0	0	10,000
Net Change in Fund Balances	(218,781)	1,277	26,046	(191,458)
Fund Balances - July 1, 2020	105,003	17,289	367,923	490,215
Fund Balances/(Deficit) - June 30, 2021	\$ (113,778)	\$ 18,566	\$ 393,969	\$ 298,757

See Disclaimer in Accompanying Independent Auditor's Report.

Sullivan, Powers & Co., P.C.
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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, 2021, 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 3, 2021.

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.

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

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

Compliance and Other Matters

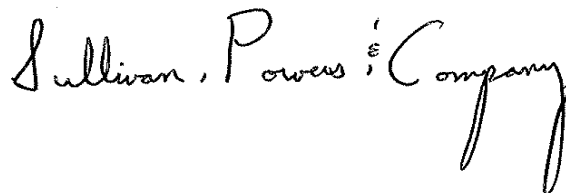
As part of obtaining reasonable assurance about whether the City of Barre, Vermont's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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".

However, we noted certain other matters that we reported to the management of the City of Barre, Vermont in a separate letter dated December 3, 2021.

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 3, 2021
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.

Sullivan, Powers & Co., P.C.
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Wendy C. Gilwee, CPA
[VT Lic. #92-000180](#)

December 3, 2021

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

We have audited 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, 2021 and have issued our report thereon dated December 3, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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.

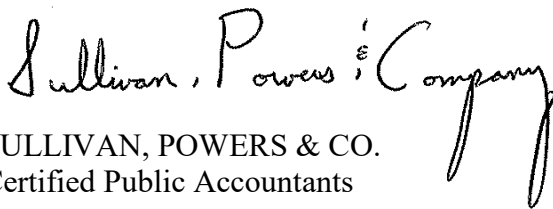
Our consideration of internal control was for the limited purpose described in the second paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist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

However, we have noted certain other matters during our audit as indicated in the accompanying Schedule of Recommendations that are opportunities for strengthening internal control and operating efficiency. We have discussed the recommendations with the staff during the course of fieldwork and some of the recommendations may have already been implemented.

This communication is intended solely for the information and use of management, the City Council, and others within the City of Barre, Vermont, and is not intended to be, and should not be, used by anyone other than these specified parties. If you would like to discuss any of the recommendations further, please feel free to contact us.

We would like to take this opportunity to thank the staff of the City of Barre, Vermont for their assistance and cooperativeness throughout our audit. It has been a pleasure working with you.

Respectfully submitted,



SULLIVAN, POWERS & CO.
Certified Public Accountants

CITY OF BARRE, VERMONT
SCHEDULE OF RECOMMENDATIONS
JUNE 30, 2021

Documentation of Internal Control System

A solid understanding of internal control is essential to a well-run organization. An organization must continually assess their internal control systems to evaluate financial health, ensure accurate financial reporting and comply with laws and regulations. As part of this process, management should formally document its control systems.

This will provide management with an understanding of the systems related to financial reporting and the controls over relevant assertions related to all significant accounts, disclosures in the financial statements, antifraud programs and controls over selection and application of accounting policies.

We recommend that the City document the internal control process. This should break out the internal control process into the following five areas:

1. Control Environment – Sets the tone of an organization and is the foundation for all other components.
2. Risk Assessment – Identification and analysis of relevant risks to achieve its objectives, forming a basis for how risks should be managed.
3. Control Activities – The policies and procedures that help ensure management directives are carried out.
4. Information and Communication – The identification, capture and exchange of information in a form and timeframe that enables people to carry out their responsibilities.
5. Monitoring – The process that assesses the quality of internal control performance over time.

Delinquent Receivables

The City uses different NEMRC software to track their delinquent taxes, water and sewer receivables. The City transfers all the data from the NEMRC tax and utility billing software in the Treasurer's Office to a separate NEMRC receivable software. Once transferred, all of the data in the Treasurer's Office is eliminated, and, because the transfer takes place around July 9, there is no way to generate a receivables list as of June 30. Also, when someone comes in to pay current and delinquent bills, they have to go to two different places to pay.

We recommend that the City eliminate the separate delinquent software.

Administrative Charges

The City's General Fund assesses administrative charges to the Water and Sewer Funds for services provided during the fiscal year.

We recommend that the City evaluate the services that the General Fund provides to the Water and Sewer Funds in order to determine if the amount being charged is appropriate.