

**CITY OF BARRE, VERMONT**

**AUDIT REPORT AND REPORTS ON  
COMPLIANCE AND INTERNAL CONTROL**

**JUNE 30, 2023**

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AUDIT REPORT  
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# Sullivan, Powers & Co., P.C.

Certified Public Accountants

77 Barre Street  
P.O. Box 947  
Montpelier, VT 05601  
802/223-2352  
[www.sullivanpowers.com](http://www.sullivanpowers.com)

Richard J. Brigham, CPA  
Chad A. Hewitt, CPA  
Jordon M. Plummer, CPA  
VT Lic. #92-000180

## Independent Auditor's Report

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

### ***Report on the Audit of the Financial Statements***

#### ***Opinions***

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, 2023, 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.

In our opinion, the financial statements referred to above 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Change in Accounting Principles***

As described in Note I.F. to the financial statements, effective June 30, 2023, the City implemented GASB Statement No. 96, "Subscription-Based Information Technology Arrangements".

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Barre, Vermont's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and "Government Auditing Standards", we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 5 through 15, the budgetary comparison information on Schedule 1, the Schedule of Proportionate Share of the Net Pension Liability on Schedule 2 and the Schedule of Contributions on Schedule 3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

### ***Supplemental 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 accompanying Schedule of Expenditures of Federal Awards, as required by "Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***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 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 express no 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 February 20, 2024 on our consideration of the City of Barre, Vermont’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Barre, Vermont’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with “Government Auditing Standards” in considering the City of Barre, Vermont’s internal control over financial reporting and compliance.

*Sullivan, Powers & Co.*

February 20, 2024  
Montpelier, Vermont  
VT Lic. #92-000180

CITY OF BARRE, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

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, 2023. 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 \$50,883,728 (total net position). Of this amount, a combined unrestricted net position is a surplus of \$1,371,834 and \$2,312,743 represent resources that are subject to external restrictions on how they may be used.
- The City's total net position increased by \$467,641. Of this amount, net position of the governmental activities increased by \$100,929 and net position attributable to business-type activities increased by \$366,712.
- The City's total outstanding long-term debt decreased by \$416,160 during the current fiscal year, comprised of \$974,241 of new debt and \$1,390,401 in principal payments and debt forgiveness.

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, American Rescue Plan Act Funds, Opioid Settlement Funds, Russell Funds, Records Retention, and Grant funds.
  - Non-Major Governmental Funds – include Community Development, Police Special Revenues, Recreation Programs, Semprebon, 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 \$6,281,327, an increase of \$1,310,346 in comparison with the prior year.
- The General Fund fund balance decreased by \$109,929 in FY23. This was due to several factors such as the delayed receipt of outside funding due to the flooding in July when these services are normally scheduled to be requisitioned, loss of cell tower rental revenue, and receipt of timely tax payments. The City was able to recognize vacancy savings as the City Assessor and Permit Administrator positions are still vacant, as well as several Department of Public Works and Police Department positions.
- The Capital Improvement Fund had an ending fund balance of \$2,423,164 of which \$1,520,097 is restricted for bond-approved projects and lease financing equipment purchases, \$90,250 is non-spendable inventory, leaving an assigned balance of \$812,817.
- The Special Fund fund balance increased by \$160,009 leaving an ending fund balance of \$749,311. This increase is mainly attributable to the receipt of opioid settlement funding, receipt of funding from a new donation fund, and interest earned on ARPA funds. While this fund balance increased in total, \$351,429 is restricted in large for records restoration, Civic Center improvements, and combating the opioid crisis, \$441,794 is assigned mainly for reappraisal expenses, leaving a deficit of (\$43,912).
- The Non-Major Governmental Funds had a current year net change of \$197,949 leaving an ending fund balance of \$1,999,922. Of which, \$827,411 is Non-Expendable Cemetery Trust Funds, \$1,133,903 is restricted by external sources, and \$38,608 is assigned for Special Recreation Programs and Shade Tree Improvements.
- The Water Fund had a current year increase of \$484,682.
- The Sewer Fund operating expenses continue to exceed the revenues, resulting a current year loss of (\$117,970).

CITY OF BARRE, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

## **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. There are two main operations referred to as general governmental activities, which are accounted for primarily in the general fund and supported in large part by property tax revenues, and business-type activities, which are supported by user fees, and are recorded in enterprise funds.

### **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.

### **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.

CITY OF BARRE, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

**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, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Governmental Activities		Business-type Activities		Total Government	
	2023	2022	2023	2022	2023	2022
Assets:						
Cash, Restricted Cash, Cash Equivalents, Investments,						
Deposits held by Escrow Agent	\$ 10,257,581	\$ 7,458,753	\$ 1,655,399	\$ 2,408,021	\$ 11,912,980	\$ 9,866,774
Receivables, Net	979,801	784,413	1,563,383	1,687,395	2,543,184	2,471,808
Other Assets	(955,959)	(997,510)	1,722,068	1,647,849	766,109	650,339
Capital Assets	35,837,677	36,565,862	25,263,497	24,687,920	61,101,174	61,253,782
Total Assets	<u>46,119,100</u>	<u>43,811,518</u>	<u>30,204,347</u>	<u>30,431,185</u>	<u>76,323,447</u>	<u>74,242,703</u>
Deferred Outflow of Resources	<u>2,014,107</u>	<u>1,450,316</u>	<u>254,563</u>	<u>154,656</u>	<u>2,268,670</u>	<u>1,604,972</u>
Liabilities:						
Other Liabilities	3,509,972	1,968,101	686,352	753,162	4,196,324	2,721,263
Non-Current Liabilities	13,614,270	10,880,901	9,704,215	9,973,977	23,318,485	20,854,878
Total Liabilities	<u>17,124,242</u>	<u>12,849,002</u>	<u>10,390,567</u>	<u>10,727,139</u>	<u>27,514,809</u>	<u>23,576,141</u>
Deferred Inflow of Resources	<u>171,859</u>	<u>1,676,655</u>	<u>21,721</u>	<u>178,792</u>	<u>193,580</u>	<u>1,855,447</u>
Net Position:						
Net Investment in Capital Assets	29,529,694	29,722,135	17,669,457	16,952,107	47,199,151	46,674,242
Restricted	2,312,743	1,999,210	-	-	2,312,743	1,999,210
Unrestricted/(Deficit)	(1,005,331)	(985,168)	2,377,165	2,727,803	1,371,834	1,742,635
Total Net Position	<u>\$ 30,837,106</u>	<u>\$ 30,736,177</u>	<u>\$ 20,046,622</u>	<u>\$ 19,679,910</u>	<u>\$ 50,883,728</u>	<u>\$ 50,416,087</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 \$50,883,728. The City's total net position is split between governmental activities of \$30,837,106 and business-type activities net position of \$20,046,622.

The largest portion of the City's net position, 92.8%, 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.

\$2,312,743 (4.5%) of the City's net position is restricted. These assets are subject to external restrictions on their use. The remaining is unrestricted surplus of \$1,371,834.

CITY OF BARRE, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

	Governmental Activities		Business-type Activities		Total Government	
	2023	2022	2023	2022	2023	2022
Revenues & Transfers:						
Program Revenues:						
Charges for Services	\$ 1,776,874	\$ 1,739,113	\$ 6,000,674	\$ 5,461,513	\$ 7,777,548	\$ 7,200,626
Operating Grants & Contributions	1,690,594	682,007	37,500	-	1,728,094	682,007
Capital Grants & Contributions	164,303	380,057	52,665	-	216,968	380,057
General Revenues:						
Property & Local Option Taxes	11,365,103	10,587,808	-	-	11,365,103	10,587,808
Other	164,774	(201,594)	67,916	23,080	232,690	(178,514)
Total Revenues & Transfers	<u>15,161,648</u>	<u>13,187,391</u>	<u>6,158,755</u>	<u>5,484,593</u>	<u>21,320,403</u>	<u>18,671,984</u>
Expenses:						
General Government	2,139,942	1,912,425	-	-	2,139,942	1,912,425
Public Safety	6,986,593	6,508,122	-	-	6,986,593	6,508,122
Public Works	3,144,212	2,986,810	-	-	3,144,212	2,986,810
Culture and Recreation	1,159,883	1,133,936	-	-	1,159,883	1,133,936
Community Development	1,121,501	118,044	-	-	1,121,501	118,044
Cemetery	278,911	231,923	-	-	278,911	231,923
Interest on Long-term Debt	229,677	239,032	-	-	229,677	239,032
Water	-	-	2,660,219	2,471,569	2,660,219	2,471,569
Sewer	-	-	3,131,824	2,632,295	3,131,824	2,632,295
Total Expenses	<u>15,060,719</u>	<u>13,130,292</u>	<u>5,792,043</u>	<u>5,103,864</u>	<u>20,852,762</u>	<u>18,234,156</u>
Increase in Net Position	100,929	57,099	366,712	380,729	467,641	437,828
Beginning Net Position	<u>30,736,177</u>	<u>30,679,078</u>	<u>19,679,910</u>	<u>19,299,181</u>	<u>50,416,087</u>	<u>49,978,259</u>
Ending Net Position	<u>\$ 30,837,106</u>	<u>\$ 30,736,177</u>	<u>\$ 20,046,622</u>	<u>\$ 19,679,910</u>	<u>\$ 50,883,728</u>	<u>\$ 50,416,087</u>

### Governmental activities

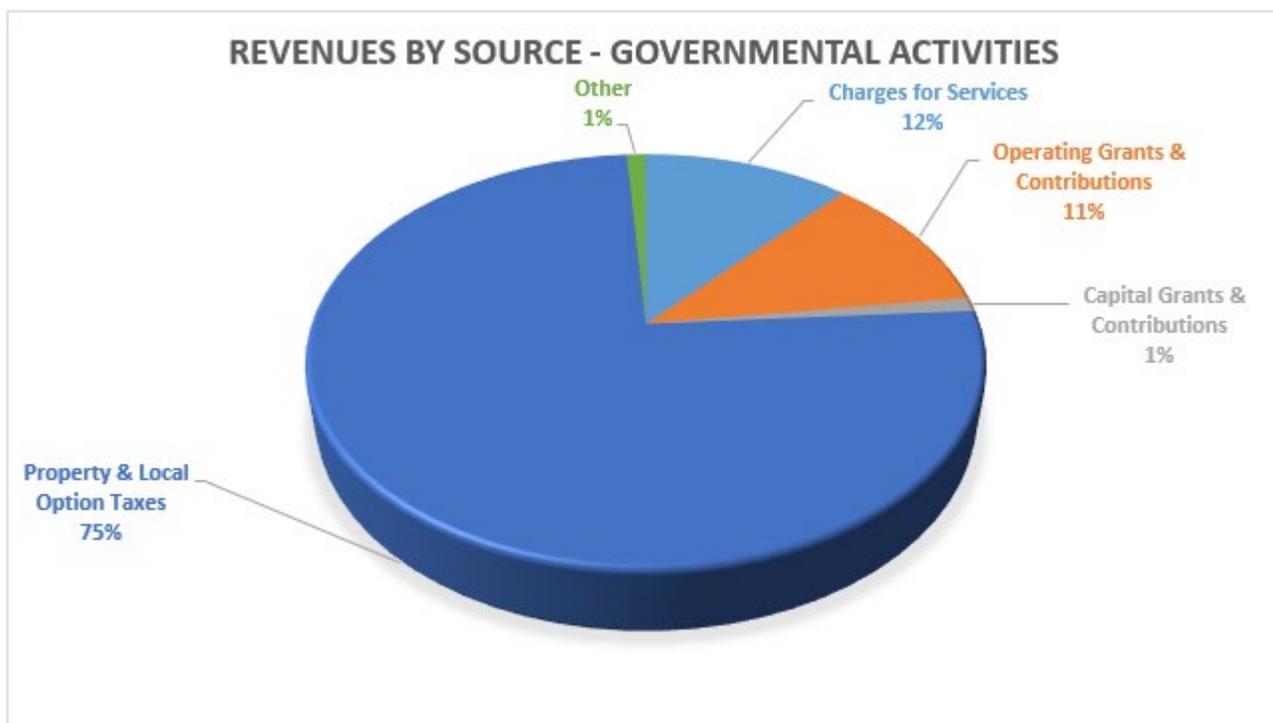
Governmental activities increased the City's net position by \$100,929 for the fiscal year ended June 30, 2023.

Key elements of the change are as follows:

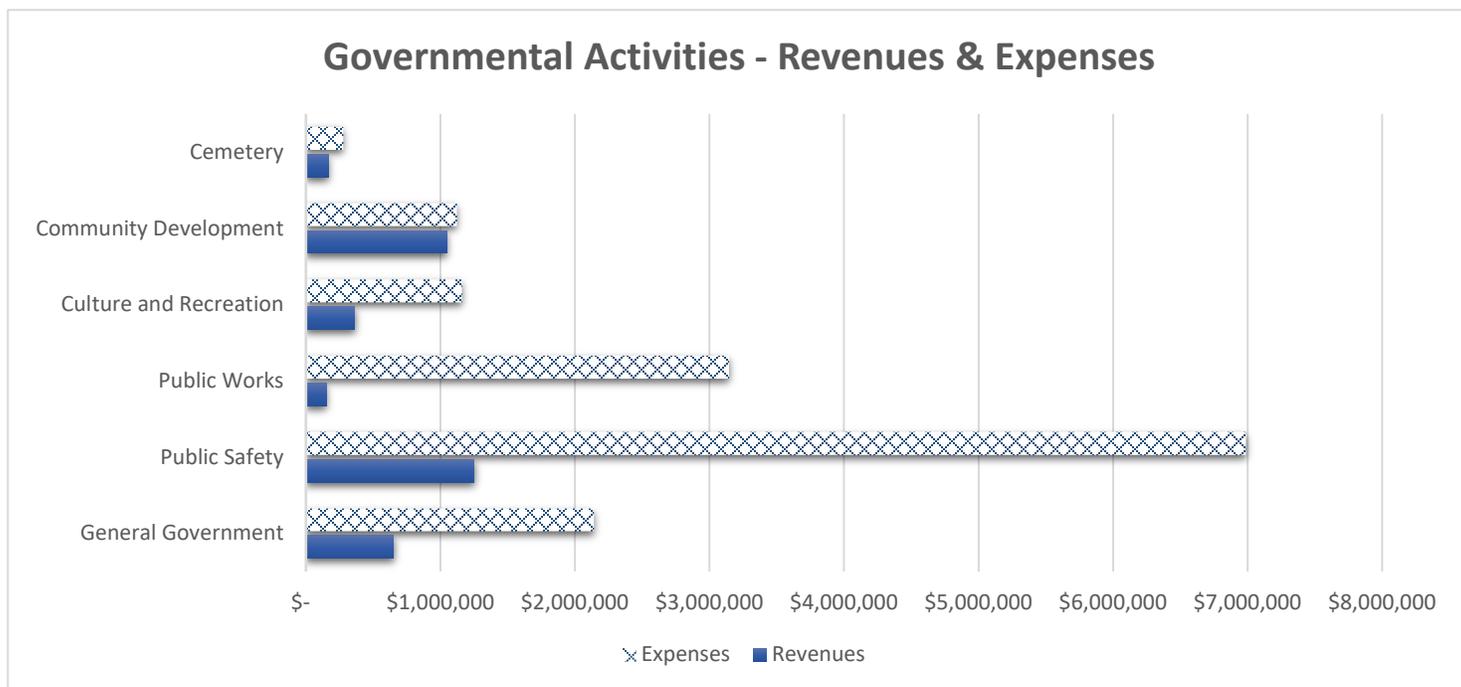
- Total governmental revenues increased by (14.97%) or \$1,974,257 from 2022 to 2023. This was driven by an increase in property taxes, charges for services, and grants and contributions increased significantly from the prior year.
- Property and local option tax revenues increased 7.34% or \$777,295 from the previous year as a result of an increase of 3.07% in the property tax rate to \$2.0180 per \$100 of assessed value from \$1.9578 in 2022.
- Total governmental activities' expenses increased by 14.70% or \$1,930,427 from 2022 to 2023. Public safety remains the largest category of expenses year over year. Public safety expenses at the end of 2023 were \$6,986,593, which is an increase of 7.35% or \$478,471.

The majority of revenue for governmental activities comes from property and local option taxes; 75% of total revenue or \$11,365,103. Charges for services are the second largest category of revenue at 12% of total revenue or \$1,776,874. The following graph shows the distribution of governmental revenues by source.

CITY OF BARRE, VERMONT  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 JUNE 30, 2023



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.

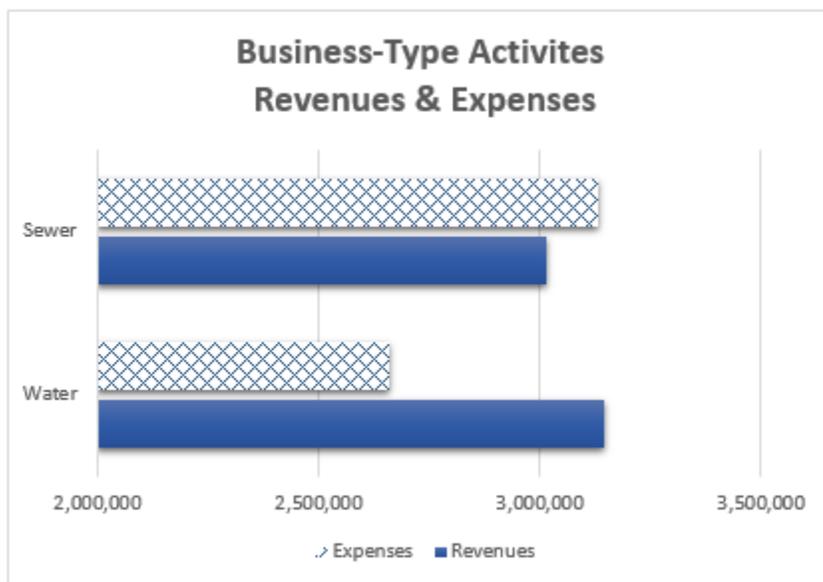


CITY OF BARRE, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

**Business-type activities (Water and Sewer Funds):**

Business-type activities increased the City's net position by \$366,712 during the current fiscal year. Key elements of this change are as follows:

- Sewer Fund was (\$117,970) 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 18.98% or \$499,529. Sewer response and repairs are continuing to increase in frequency as our system ages, specifically repairs to the wastewater treatment plant.
- Water Fund ended FY23 with a change in net position of \$484,682, making the total net position of \$12,176,450. Of that total, \$8,468,165 reflects the investment in capital assets, net of outstanding debt used to acquire or construct those assets and \$3,708,285 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 above 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.

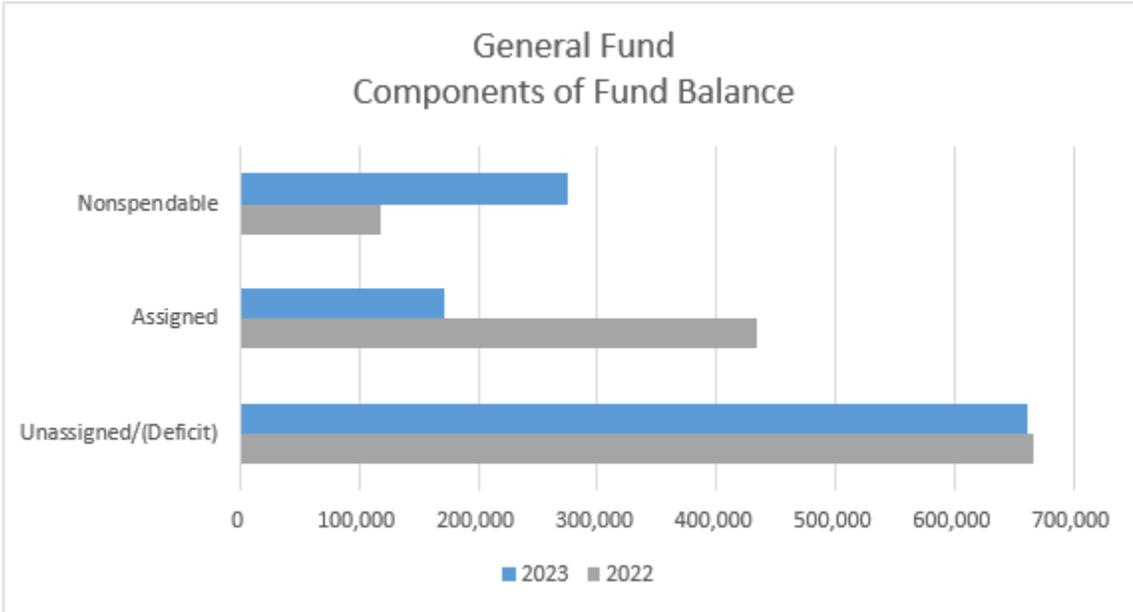
**Governmental Funds**

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.

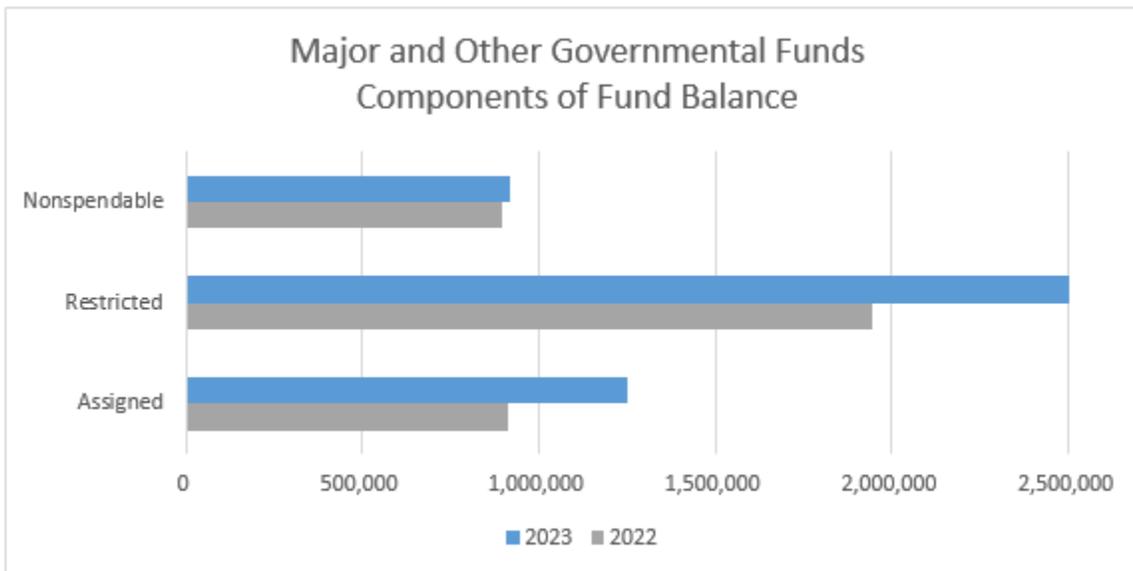
At June 30, 2023, the City's governmental funds reported combined fund balances of \$6,281,327, an increase 26.36% or \$1,310,346 in comparison with the prior fiscal year. The unassigned fund balance is 661,814 which is a decrease of (.72%) or (\$4,770) from the prior fiscal year. The remainder of the fund balance is either nonspendable \$1,193,121, restricted for particular purposes \$3,005,429, or assigned by the City for specific purposes \$1,420,963. The components of each category are detailed in Footnote IV. L. Fund Balances.

CITY OF BARRE, VERMONT  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 JUNE 30, 2023

The general fund is the chief operating fund of the City. At the end of the fiscal year, total fund balance in the general fund was \$1,108,930 a decrease of (\$109,929) from the previous year. Of this amount, \$275,460 is in nonspendable form (prepaid expenses and inventory). Of the remaining amount, \$661,814 is the fund unassigned balance.



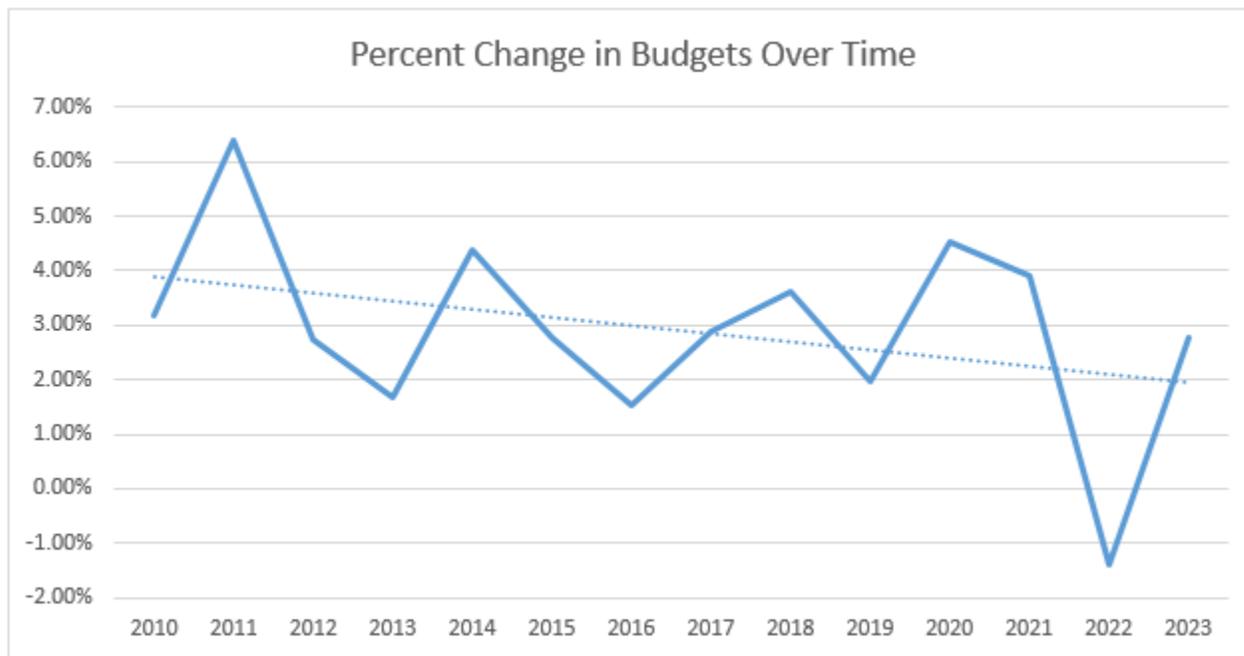
In the governmental funds other than the general fund, the most noteworthy change to the fund balance is a \$1,060,761 increase in the restricted fund balance of \$3,005,429. The capital improvement fund increased its restricted fund balance by \$750,747 and non-major governmental funds increased its restricted fund balance by \$199,403.



CITY OF BARRE, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

**GENERAL FUND BUDGETARY HIGHLIGHTS:**

The City's budget for the year ended June 30, 2023 passed on the first vote in March of 2022. There were no budget amendments made during the year. The City's FY23 general fund budget total \$13,344,159 increased 3.96% from FY22. Actual results on the year were a decrease of (\$109,929). Revenues came in under budget by .92% or \$122,819. The City continues to be impacted by the nationwide labor shortage and struggled to fill key city positions such as a City Assessor and Permit Administrator. Although not desired, this impact resulted in vacancy savings allowing for the expenditures to be underspent by 2.22% or \$296,029.



**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, 2023, totaled \$61,101,174 (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 FY23 by \$2,820,082. Combined depreciation for the fiscal year is \$2,933,027. With the City disposing of assets totaling \$39,663, net of accumulated depreciation, and the combined accumulated depreciation exceeding the combined investment in capital assets, caused a net decrease in capital assets of \$152,608.

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

- Vehicles and equipment purchased in FY23 consisted of the following: Police Department – Chevy Trailblazer, Two (2) Chevy Equinoxes, Chevy Silverado, Two (2) Ford Interceptors; Dispatch – Dispatch Radio System; Fire Department – Chevy Malibu, Chevy Equinox, Chevy Silverado, Nitro Sport Cargo Trailer, Stryker Power load for Ambulance; Streets Department – Look Trailer, Ford F150, Message Sign, JCB Skid steer; Rotary Park Pavilion – New Roof; Pool House – New Roof; Water –Shipping Container for storage, Floway Bowl on Recycle Pump, Karavan Trailer; Sewer – Ford F-250, Roller on Sludge Filter Press, Methane Safety Flare, Boiler for Digester.

CITY OF BARRE, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

- Infrastructure additions: Paving: River St., Beckley Hill, Blackwell St., Center St., Richardson Rd., Jorgensen Lane; Sidewalks: Ayers St., Maple Ave., Seminary St., S. Main St., Washington, Merchant/Warren St.
- Land Purchases: Mead/Maplewood Ave. Property
- Sewer Lines: River St.
- Construction in progress: DPW Campus; Metro-Way Bike Path; Maple St. & Merchant St. (VTrans Project); DPW Radios; North End Pump Station; Cobble Hill Transmission Line

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

- Vehicle and equipment deletions included: Garfield Play Structure, GMC Terrain, Two (2) Ford Explorers, Dispatch Radio System, Chevy Malibu, Three (3) Chevy Silverado's, Ford Van, International, Chevy Tahoe.

Summary of Capital Assets

	Governmental Activities		Business-type Activities		Total Government	
	2023	2022	2023	2022	2023	2022
Capital Assets:						
Land	3,531,836	3,481,713	319,011	319,011	3,850,847	3,800,724
Works of Art	308,184	308,184	-	-	308,184	308,184
Construction in Progress	141,681	158,369	1,327,232	1,305,703	1,468,913	1,464,072
Buildings and Building Improvements	11,482,815	11,431,983	459,559	459,559	11,942,374	11,891,542
Vehicles, Machinery, Equipment and Furniture	8,934,355	8,459,388	2,071,416	1,846,521	11,005,771	10,305,909
Infrastructure	33,600,032	33,111,841	-	-	33,600,032	33,111,841
Cemetery Developments	823,929	823,929	-	-	823,929	823,929
Distribution and Collection Systems	-	-	39,812,843	38,702,561	39,812,843	38,702,561
	58,822,832	57,775,407	43,990,061	42,633,355	102,812,893	100,408,762
Less: Accumulated Depreciation	(22,985,155)	(21,209,545)	(18,726,564)	(17,945,435)	(41,711,719)	(39,154,980)
Total Assets, Net	35,837,677	36,565,862	25,263,497	24,687,920	61,101,174	61,253,782

**Long Term Debt**

The City began the year with \$17,174,280 in long-term debt outstanding. As of June 30, 2023 this amount had decreased by (\$416,160) or (2.42%) to end the current year at \$16,758,120.

Summary of Long Term Debt

	30-Jun-22	Additions	Deletions	30-Jun-23
Governmental Activities	7,613,077	924,241	709,238	7,828,080
Business-type Activities	9,561,203	50,000	681,163	8,930,040
Total Government	17,174,280	974,241	1,390,401	16,758,120

Factors contributing to the change include the following:

- Principal payments totaling \$709,238 were made and new debt was secured for lease financing two (2) plow trucks and an ambulance on the governmental activities debt. For the business-type activities debt, principal payments totaling \$643,663 were made, \$50,000 of new debt was secured of which, \$37,500 principal forgiveness was recognized.

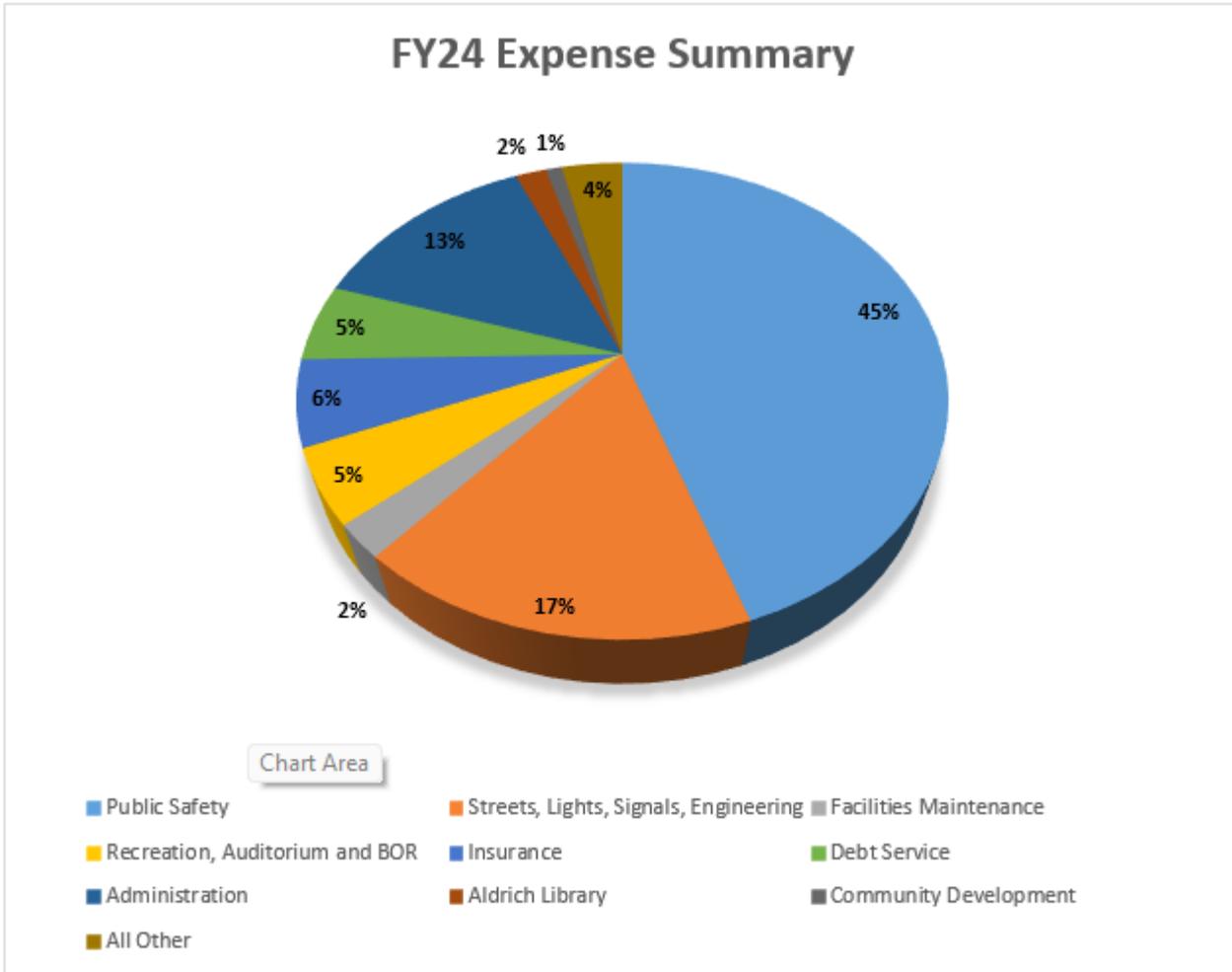
CITY OF BARRE, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

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 \$13,728,343 for FY24 in March 2023. The budget represents an increase of \$534,184 or 4.05% over the FY23 budget. The municipal tax rate increased by 4.53% to \$2.1094.

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 Assistant City Manager, City of Barre, 6 N. Main St. Barre, VT 05641.

CITY OF BARRE, VERMONT  
STATEMENT OF NET POSITION  
JUNE 30, 2023

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash	\$ 6,615,683	\$ 200	\$ 6,615,883
Restricted Cash and Cash Equivalents	735,025	1,655,199	2,390,224
Investments	2,080,053	0	2,080,053
Deposits held by Escrow Agent	826,820	0	826,820
Receivables (Net of Allowance for Uncollectibles)	979,801	1,563,383	2,543,184
Internal Balances	(1,321,669)	1,321,669	0
Prepaid Expenses	199,303	0	199,303
Inventory	166,407	400,399	566,806
Capital Assets:			
Land	3,531,836	319,011	3,850,847
Works of Art	308,184	0	308,184
Construction in Progress	141,681	1,327,232	1,468,913
Other Capital Assets, (Net of Accumulated Depreciation)	<u>31,855,976</u>	<u>23,617,254</u>	<u>55,473,230</u>
Total Assets	<u>46,119,100</u>	<u>30,204,347</u>	<u>76,323,447</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the City's Participation in VMERS	<u>2,014,107</u>	<u>254,563</u>	<u>2,268,670</u>
Total Deferred Outflows of Resources	<u>2,014,107</u>	<u>254,563</u>	<u>2,268,670</u>
 <u>LIABILITIES</u>			
Accounts Payable	608,069	489,934	1,098,003
Accrued Payroll and Benefits Payable	320,832	42,130	362,962
Unearned Revenue	2,517,771	0	2,517,771
Due to State of Vermont	0	104,022	104,022
Accrued Interest Payable	63,300	50,266	113,566
Noncurrent Liabilities:			
Due within One Year	868,385	659,445	1,527,830
Due in More than One Year	<u>12,745,885</u>	<u>9,044,770</u>	<u>21,790,655</u>
Total Liabilities	<u>17,124,242</u>	<u>10,390,567</u>	<u>27,514,809</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows of Resources Related to the City's Participation in VMERS	<u>171,859</u>	<u>21,721</u>	<u>193,580</u>
Total Deferred Inflows of Resources	<u>171,859</u>	<u>21,721</u>	<u>193,580</u>
 <u>NET POSITION</u>			
Net Investment in Capital Assets	29,529,694	17,669,457	47,199,151
Restricted:			
Non-Expendable:			
Cemetery	827,411	0	827,411
Expendable:			
Bike Path and Non-Operating Expenditures	608,389	0	608,389
Cemetery	227,672	0	227,672
TIF District	245,369	0	245,369
Other Purposes	403,902	0	403,902
Unrestricted/(Deficit)	<u>(1,005,331)</u>	<u>2,377,165</u>	<u>1,371,834</u>
Total Net Position	<u>\$ 30,837,106</u>	<u>\$ 20,046,622</u>	<u>\$ 50,883,728</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, 2023

	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	\$ 2,139,942	\$ 595,478	\$ 16,277	\$ 40,273	\$ (1,487,914)	\$ 0	\$ (1,487,914)
Public Safety	6,986,593	846,491	406,489	0	(5,733,613)	0	(5,733,613)
Public Works	3,144,212	0	151,971	0	(2,992,241)	0	(2,992,241)
Culture and Recreation	1,159,883	217,785	20,883	124,030	(797,185)	0	(797,185)
Community Development	1,121,501	0	1,043,840	0	(77,661)	0	(77,661)
Cemetery	278,911	117,120	51,134	0	(110,657)	0	(110,657)
Interest on Long-term Debt	229,677	0	0	0	(229,677)	0	(229,677)
Total Governmental Activities	<u>15,060,719</u>	<u>1,776,874</u>	<u>1,690,594</u>	<u>164,303</u>	<u>(11,428,948)</u>	<u>0</u>	<u>(11,428,948)</u>
Business-type Activities:							
Water	2,660,219	3,033,822	37,500	38,504	0	449,607	449,607
Sewer	<u>3,131,824</u>	<u>2,966,852</u>	<u>0</u>	<u>14,161</u>	<u>0</u>	<u>(150,811)</u>	<u>(150,811)</u>
Total Business-type Activities	<u>5,792,043</u>	<u>6,000,674</u>	<u>37,500</u>	<u>52,665</u>	<u>0</u>	<u>298,796</u>	<u>298,796</u>
Total Primary Government	<u>\$ 20,852,762</u>	<u>\$ 7,777,548</u>	<u>\$ 1,728,094</u>	<u>\$ 216,968</u>	<u>(11,428,948)</u>	<u>298,796</u>	<u>(11,130,152)</u>
General Revenues:							
Property Taxes					10,246,525	0	10,246,525
Penalties and Interest on Delinquent Taxes					68,039	0	68,039
Local Option Sales Taxes					684,492	0	684,492
Payments in Lieu of Taxes					366,047	0	366,047
ARPA Funds					8,739	0	8,739
Unrestricted Investment Earnings					141,672	67,916	209,588
Insurance Proceeds					10,338	0	10,338
Gain on Sale of Assets					4,025	0	4,025
Total General Revenues					<u>11,529,877</u>	<u>67,916</u>	<u>11,597,793</u>
Change in Net Position					100,929	366,712	467,641
Net Position - July 1, 2022					<u>30,736,177</u>	<u>19,679,910</u>	<u>50,416,087</u>
Net Position - June 30, 2023					<u>\$ 30,837,106</u>	<u>\$ 20,046,622</u>	<u>\$ 50,883,728</u>

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

CITY OF BARRE, VERMONT  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 JUNE 30, 2023

	General Fund	Capital Improvement Fund	Special Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 3,456,158	\$ 0	\$ 2,525,905	\$ 633,620	\$ 6,615,683
Restricted Cash Equivalents	0	735,025	0	0	735,025
Investments	501,770	0	51,841	1,526,442	2,080,053
Deposits held by Escrow Agent	0	826,820	0	0	826,820
Receivables (Net of Allowance for Uncollectibles)	510,059	215,475	254,267	0	979,801
Due from Other Funds	0	868,005	676,019	46,814	1,590,838
Prepaid Items	199,303	0	0	0	199,303
Inventory	76,157	90,250	0	0	166,407
Total Assets	<u>\$ 4,743,447</u>	<u>\$ 2,735,575</u>	<u>\$ 3,508,032</u>	<u>\$ 2,206,876</u>	<u>\$ 13,193,930</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 283,871	\$ 312,211	\$ 11,987	\$ 0	\$ 608,069
Accrued Payroll and Benefits Payable	320,213	0	619	0	320,832
Due to Other Funds	2,705,553	0	0	206,954	2,912,507
Unearned Revenue	17,876	0	2,499,895	0	2,517,771
Total Liabilities	<u>3,327,513</u>	<u>312,211</u>	<u>2,512,501</u>	<u>206,954</u>	<u>6,359,179</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Unavailable Property Taxes, Penalties, Interest and Related Fees	193,000	0	0	0	193,000
Unavailable Ambulance Fees	34,500	0	0	0	34,500
Unavailable Grants	72,973	0	246,220	0	319,193
Unavailable Miscellaneous Revenue	6,531	200	0	0	6,731
Total Deferred Inflows of Resources	<u>307,004</u>	<u>200</u>	<u>246,220</u>	<u>0</u>	<u>553,424</u>
<u>FUND BALANCES</u>					
Nonspendable	275,460	90,250	0	827,411	1,193,121
Restricted	0	1,520,097	351,429	1,133,903	3,005,429
Assigned	171,656	812,817	397,882	38,608	1,420,963
Unassigned	661,814	0	0	0	661,814
Total Fund Balances	<u>1,108,930</u>	<u>2,423,164</u>	<u>749,311</u>	<u>1,999,922</u>	<u>6,281,327</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,743,447</u>	<u>\$ 2,735,575</u>	<u>\$ 3,508,032</u>	<u>\$ 2,206,876</u>	
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:					
Capital Assets Used in Governmental Activities are not Financial Resources and, Therefore, are not Reported in the Funds.					35,837,677
Other Assets are not Available to Pay for Current-Period Expenditures and, Therefore, are Deferred in the Funds.					553,424
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.					(13,677,570)
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.					1,842,248
Net Position of Governmental Activities					<u>\$ 30,837,106</u>

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

CITY OF BARRE, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Capital Improvement Fund	Special Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property Taxes	\$ 9,515,680	\$ 391,500	\$ 0	\$ 280,845	\$ 10,188,025
Penalties and Interest on Delinquent Taxes	68,039	0	0	0	68,039
Local Option Sales Taxes	0	684,492	0	0	684,492
Payments in Lieu of Taxes	366,047	0	0	0	366,047
Intergovernmental	343,913	0	168,735	1,010,544	1,523,192
Charges for Services	2,135,133	35,094	0	3,518	2,173,745
Permits, Licenses and Fees	546,446	0	23,260	0	569,706
Fines and Forfeits	37,621	0	0	0	37,621
Investment Income	19,575	25,490	25,075	71,532	141,672
Donations	62,197	0	108,592	4,375	175,164
Opioids Settlement	0	0	43,840	0	43,840
<b>Total Revenues</b>	<b><u>13,094,651</u></b>	<b><u>1,136,576</u></b>	<b><u>369,502</u></b>	<b><u>1,370,814</u></b>	<b><u>15,971,543</u></b>
<b>Expenditures:</b>					
General Government	2,942,626	24,530	11,798	3,209	2,982,163
Public Safety	6,162,469	1,311	159,660	20,040	6,343,480
Public Works	1,459,191	85,579	5,715	0	1,550,485
Culture and Recreation	961,466	0	34,560	19,362	1,015,388
Community Development	121,501	0	0	1,000,000	1,121,501
Cemetery	249,229	0	0	0	249,229
Capital Outlay:					
General Government	0	50,123	0	0	50,123
Public Safety	32,956	655,334	7,760	0	696,050
Public Works	138,582	462,235	0	0	600,817
Culture and Recreation	0	52,425	0	8,750	61,175
Debt Service:					
Principal	585,866	35,372	0	88,000	709,238
Interest	157,756	2,195	0	60,201	220,152
<b>Total Expenditures</b>	<b><u>12,811,642</u></b>	<b><u>1,369,104</u></b>	<b><u>219,493</u></b>	<b><u>1,199,562</u></b>	<b><u>15,599,801</u></b>
Excess/(Deficiency) of Revenues Over Expenditures	<u>283,009</u>	<u>(232,528)</u>	<u>150,009</u>	<u>171,252</u>	<u>371,742</u>
<b>Other Financing Sources/(Uses):</b>					
Insurance Proceeds	0	10,338	0	0	10,338
Issuance of Long-term Debt	0	924,241	0	0	924,241
Proceeds from Sale of Assets	0	4,025	0	0	4,025
Transfers In	76,688	407,429	10,000	67,197	561,314
Transfers Out	(469,626)	(51,188)	0	(40,500)	(561,314)
<b>Total Other Financing Sources/(Uses)</b>	<b><u>(392,938)</u></b>	<b><u>1,294,845</u></b>	<b><u>10,000</u></b>	<b><u>26,697</u></b>	<b><u>938,604</u></b>
<b>Net Change in Fund Balances</b>	<b>(109,929)</b>	<b>1,062,317</b>	<b>160,009</b>	<b>197,949</b>	<b>1,310,346</b>
<b>Fund Balances - July 1, 2022</b>	<b><u>1,218,859</u></b>	<b><u>1,360,847</u></b>	<b><u>589,302</u></b>	<b><u>1,801,973</u></b>	<b><u>4,970,981</u></b>
<b>Fund Balances - June 30, 2023</b>	<b><u>\$ 1,108,930</u></b>	<b><u>\$ 2,423,164</u></b>	<b><u>\$ 749,311</u></b>	<b><u>\$ 1,999,922</u></b>	<b><u>\$ 6,281,327</u></b>

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, 2023

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)	\$	1,310,346
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$1,408,165) is allocated over their estimated useful lives and reported as depreciation expense (\$2,102,520). This is the amount by which depreciation exceeded capital outlays in the current period.		(694,355)
The net effect of various transactions involving capital assets (i.e., sales and losses on disposal of assets) is to reduce net position.		(33,830)
The issuance of long-term debt (\$924,241) (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$709,238) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the net position.		(215,003)
Governmental funds report employer pension contributions as expenditures (\$454,627). However, in the statement of activities, the cost of pension benefits earned net of employee contributions (\$877,236) is reported as pension expense. This amount is the net effect of the differences in the treatment of pension expense.		(422,609)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This amount is the net difference in the treatment of these items from the previous year.		193,075
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. This amount is the net difference in the treatment of these items from the previous year.		<u>(36,695)</u>
Change in net position of governmental activities (Exhibit B)	\$	<u><u>100,929</u></u>

The General Fund charges the Water Fund and Sewer Fund for administrative expenses. These charges totaling \$1,017,533 have been eliminated from the Governmental Activities on the Statement of Activities.

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

CITY OF BARRE, VERMONT  
STATEMENT OF FUND NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2023

	Water Fund	Sewer Fund	Total
<u>ASSETS</u>			
Current Assets:			
Cash	\$ 200	\$ 0	\$ 200
Restricted Cash Equivalents	1,278,643	376,556	1,655,199
Receivables (Net of Allowance for Uncollectibles)	811,684	751,699	1,563,383
Due from Other Funds	2,976,896	0	2,976,896
Inventory	319,509	80,890	400,399
Total Current Assets	<u>5,386,932</u>	<u>1,209,145</u>	<u>6,596,077</u>
Noncurrent Assets:			
Capital Assets:			
Land	210,011	109,000	319,011
Construction in Progress	119,023	1,208,209	1,327,232
Buildings and Building Improvements	10,194	449,365	459,559
Vehicles, Machinery, Equipment and Furniture	233,985	1,837,431	2,071,416
Distribution and Collection Systems	23,934,319	15,878,524	39,812,843
Less: Accumulated Depreciation	<u>(11,170,355)</u>	<u>(7,556,209)</u>	<u>(18,726,564)</u>
Total Noncurrent Assets	<u>13,337,177</u>	<u>11,926,320</u>	<u>25,263,497</u>
Total Assets	<u>18,724,109</u>	<u>13,135,465</u>	<u>31,859,574</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the City's Participation in VMERS			
	<u>133,367</u>	<u>121,196</u>	<u>254,563</u>
Total Deferred Outflows of Resources	<u>133,367</u>	<u>121,196</u>	<u>254,563</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	63,280	426,654	489,934
Accrued Payroll and Benefits Payable	20,588	21,542	42,130
Due to Other Funds	0	1,655,227	1,655,227
Accrued Interest Payable	35,996	14,270	50,266
Notes Payable - Current Portion	64,330	0	64,330
General Obligation Bonds Payable - Current Portion	<u>359,120</u>	<u>235,995</u>	<u>595,115</u>
Total Current Liabilities	<u>543,314</u>	<u>2,353,688</u>	<u>2,897,002</u>
Noncurrent Liabilities:			
Due to State of Vermont - Noncurrent Portion	0	104,022	104,022
Compensated Absences Payable	53,092	69,181	122,273
Net Pension Liability	341,535	310,367	651,902
Notes Payable - Noncurrent Portion	133,142	0	133,142
General Obligation Bonds Payable - Noncurrent Portion	<u>5,598,563</u>	<u>2,538,890</u>	<u>8,137,453</u>
Total Noncurrent Liabilities	<u>6,126,332</u>	<u>3,022,460</u>	<u>9,148,792</u>
Total Liabilities	<u>6,669,646</u>	<u>5,376,148</u>	<u>12,045,794</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows of Resources Related to the City's Participation in VMERS			
	<u>11,380</u>	<u>10,341</u>	<u>21,721</u>
Total Deferred Inflows of Resources	<u>11,380</u>	<u>10,341</u>	<u>21,721</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	8,468,165	9,201,292	17,669,457
Unrestricted/(Deficit)	<u>3,708,285</u>	<u>(1,331,120)</u>	<u>2,377,165</u>
Total Net Position	<u>\$ 12,176,450</u>	<u>\$ 7,870,172</u>	<u>\$ 20,046,622</u>

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, 2023

	Water Fund	Sewer Fund	Total
<b>Operating Revenues:</b>			
Charges for Services	\$ 2,996,812	\$ 2,940,596	\$ 5,937,408
Interest and Penalties	35,465	24,544	60,009
Other	1,545	1,712	3,257
<b>Total Operating Revenues</b>	<b>3,033,822</b>	<b>2,966,852</b>	<b>6,000,674</b>
<b>Operating Expenses:</b>			
Payroll and Benefits	753,757	740,889	1,494,646
Administrative Costs	508,666	508,667	1,017,333
Professional Services	14,476	93,532	108,008
Supplies	33,642	32,862	66,504
Utilities	144,768	408,989	553,757
Maintenance	259,374	192,806	452,180
Chemicals	174,752	309,042	483,794
Permits and Testing	37,910	29,266	67,176
Taxes	54,417	0	54,417
Sludge Disposal	0	330,021	330,021
Depreciation	454,577	375,930	830,507
Other Operating Expenses	14	21,888	21,902
<b>Total Operating Expenses</b>	<b>2,436,353</b>	<b>3,043,892</b>	<b>5,480,245</b>
<b>Operating Income/(Loss)</b>	<b>597,469</b>	<b>(77,040)</b>	<b>520,429</b>
<b>Non-Operating Revenues/(Expenses):</b>			
Loss on Disposal of Assets	(5,833)	0	(5,833)
Investment Income	35,075	32,841	67,916
Interest Expense	(205,533)	(87,932)	(293,465)
Debt Forgiveness	37,500	0	37,500
Asset Management Plan Expenses	(12,500)	0	(12,500)
<b>Total Non-Operating Revenues/(Expenses)</b>	<b>(151,291)</b>	<b>(55,091)</b>	<b>(206,382)</b>
<b>Net Income/(Loss) Before Capital Contributions</b>	<b>446,178</b>	<b>(132,131)</b>	<b>314,047</b>
<b>Capital Contributions</b>	<b>38,504</b>	<b>14,161</b>	<b>52,665</b>
<b>Change in Net Position</b>	<b>484,682</b>	<b>(117,970)</b>	<b>366,712</b>
<b>Net Position - July 1, 2022</b>	<b>11,691,768</b>	<b>7,988,142</b>	<b>19,679,910</b>
<b>Net Position - June 30, 2023</b>	<b>\$ 12,176,450</b>	<b>\$ 7,870,172</b>	<b>\$ 20,046,622</b>

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, 2023

	Water Fund	Sewer Fund	Total
<b>Cash Flows From Operating Activities:</b>			
Receipts from Customers and Users	\$ 3,050,053	\$ 2,994,165	\$ 6,044,218
Payments for Goods and Services	(692,835)	(1,374,804)	(2,067,639)
Payments for Interfund Services	(508,666)	(508,667)	(1,017,333)
Payments for Wages and Benefits	(695,839)	(672,694)	(1,368,533)
<b>Net Cash Provided by Operating Activities</b>	<b>1,152,713</b>	<b>438,000</b>	<b>1,590,713</b>
<b>Cash Flows From Noncapital Financing Activities:</b>			
Issuance of Long-term Debt	50,000	0	50,000
Asset Management Plan Expenses	(12,500)	0	(12,500)
(Increase)/Decrease in Due from Other Funds	(530,855)	0	(530,855)
Increase/(Decrease) in Due to Other Funds	0	247,116	247,116
(Increase)/Decrease in Advances to Other Funds	0	149,154	149,154
<b>Net Cash Provided/(Used) by Noncapital Financing Activities</b>	<b>(493,355)</b>	<b>396,270</b>	<b>(97,085)</b>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Payment from Town of Barre for Digester Cover	0	138,000	138,000
Acquisition and Construction of Capital Assets	(42,899)	(1,143,746)	(1,186,645)
Payment to the State of Vermont for Big Dig Project	0	(324,395)	(324,395)
Principal Paid on Long-term Debt	(411,819)	(231,844)	(643,663)
Interest Paid on Long-term Debt	(208,433)	(89,030)	(297,463)
<b>Net Cash Provided/(Used) by Capital and Related Financing Activities</b>	<b>(663,151)</b>	<b>(1,651,015)</b>	<b>(2,314,166)</b>
<b>Cash Flows From Investing Activities:</b>			
Receipt of Interest and Dividends	35,075	32,841	67,916
<b>Net Cash Provided by Investing Activities</b>	<b>35,075</b>	<b>32,841</b>	<b>67,916</b>
<b>Net Increase/(Decrease) in Cash and Restricted Cash Equivalents</b>	<b>31,282</b>	<b>(783,904)</b>	<b>(752,622)</b>
<b>Cash and Restricted Cash Equivalents - July 1, 2022</b>	<b>1,247,561</b>	<b>1,160,460</b>	<b>2,408,021</b>
<b>Cash and Restricted Cash Equivalents - June 30, 2023</b>	<b>\$ 1,278,843</b>	<b>\$ 376,556</b>	<b>\$ 1,655,399</b>
<b>Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:</b>			
Operating Income/(Loss)	\$ 597,469	\$ (77,040)	\$ 520,429
Depreciation	454,577	375,930	830,507
(Increase)/Decrease in Receivables	11,364	27,313	38,677
(Increase)/Decrease in Inventory	24,254	36,112	60,366
(Increase)/Decrease in Deferred Outflows of Resources Related to the City's Participation in VMERS	(45,656)	(54,251)	(99,907)
Increase/(Decrease) in Accounts Payable	7,131	7,490	14,621
Increase/(Decrease) in Accrued Payroll and Benefits Payable	9,908	11,782	21,690
Increase/(Decrease) in Compensated Absences Payable	3,422	(9,560)	(6,138)
Increase/(Decrease) in Net Pension Liability	180,263	187,276	367,539
Increase/(Decrease) in Deferred Inflows of Resources Related to the City's Participation in VMERS	(90,019)	(67,052)	(157,071)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 1,152,713</b>	<b>\$ 438,000</b>	<b>\$ 1,590,713</b>

The Water Fund recognized a forgiveness of debt from the State of Vermont in the amount of \$37,500.

There was \$3,515 of capital acquisitions in the Water Fund included in accounts payable at June 30, 2022.

There was \$9,464 of capital acquisitions in the Water Fund included in accounts payable at June 30, 2023.

There was \$93,430 of capital acquisitions in the Sewer Fund included in accounts payable at June 30, 2022.

There was \$312,753 of capital acquisitions in the Sewer Fund included in accounts payable at June 30, 2023.

The Water Fund disposed of capital assets with a cost and accumulated depreciation of \$52,211 and \$46,378, respectively.

The Sewer Fund disposed of capital assets with a cost and accumulated depreciation of \$3,000.

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

CITY OF BARRE, VERMONT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2023

<u>ASSETS</u>	<u>Private-Purpose Trust Funds</u>	<u>Custodial Fund Education Tax Fund</u>
Cash and Cash Equivalents	\$ 85,932	\$ 0
Investments	<u>17,443</u>	<u>0</u>
Total Assets	<u>\$ 103,375</u>	<u>\$ 0</u>
 <u>LIABILITIES AND NET POSITION</u>		
Liabilities:	<u>\$ 0</u>	<u>\$ 0</u>
Net Position:		
Restricted:		
Held in Trust for Other Purposes	<u>103,375</u>	<u>0</u>
Total Net Position	<u>103,375</u>	<u>0</u>
Total Liabilities and Net Position	<u>\$ 103,375</u>	<u>\$ 0</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, 2023

	Private-Purpose Trust Funds	Custodial Fund Education Tax Fund
Additions:		
Investment Income	\$ 118	\$ 0
Education Taxes Collected for Other Governments	0	6,381,277
Total Additions	118	6,381,277
Deductions:		
Miscellaneous	5,000	0
Education Taxes Distributed to Other Governments	0	6,381,277
Total Deductions	5,000	6,381,277
Change in Net Position	(4,882)	0
Net Position - July 1, 2022	108,257	0
Net Position - June 30, 2023	\$ 103,375	\$ 0

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

CITY OF BARRE, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

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, 2023

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, 2023

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

### **C. Measurement Focus**

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

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

### **D. Basis of Accounting**

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

The government-wide, proprietary and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Local option sales taxes collected and held by the State at year-end on behalf of the City are also recognized as revenue. 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, 2023

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 financed purchases 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 – Subscription-Based Information Technology Arrangements**

Effective June 30, 2023, the City implemented GASB Statement No. 96, “Subscription-Based Information Technology Arrangements”. GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. To the extent relevant, the standards for SBITAs are based on the standards established in GASB Statement No. 87, “Leases”, as amended. The City currently has no subscription-based information technology arrangements applicable to this Statement that are material to the financial statements.

CITY OF BARRE, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

**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, 2023

**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, 2023

	<u>Capitalization Threshold</u>	<u>Estimated Service Life</u>
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, financed purchases 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  
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**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 proceeds from long-term debt as other financing sources and principal payments as expenditures, whereas government-wide statements report those transactions as increases and decreases in liabilities, respectively.

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

**III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

**B. Budgeted Deficit**

The City budgeted a current year’s deficiency of revenues over expenditures in the General Fund in the amount of \$50,000 in order to utilize a portion of the previous year’s surplus. This is reflected as a budgeted deficiency of revenues over expenditures on Schedule 1.

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**IV. DETAILED NOTES ON ALL FUNDS**

**A. Cash, Cash Equivalents and Investments**

The City’s cash, cash equivalents and investments as of June 30, 2023 consisted of the following:

Restricted Cash and Cash Equivalents:	
Money Market Mutual Funds – U.S. Government Securities	\$ <u>2,390,224</u>
Unrestricted Cash and Cash Equivalents:	
Deposits with Financial Institutions	6,524,528
Deposits held by Investment Company	91,924
Certificate of Deposit	84,388
Cash on Hand	<u>975</u>
Total Unrestricted Cash and Cash Equivalents	<u>6,701,815</u>
Total Cash and Cash Equivalents	<u>9,092,039</u>
Investments:	
Certificates of Deposit	519,213
Exchange-Traded Funds	48,693
Mutual Funds – Mixed Holdings	<u>1,529,590</u>
Total Investments	<u>2,097,496</u>
Total Cash, Cash Equivalents and Investments	<u>\$11,189,535</u>

The City has three (3) certificates of deposit at various banks ranging from \$17,443 to \$501,770 with interest rates ranging from 0.05% to 4.16%. All certificates of deposit mature during fiscal year 2024.

**Custodial Credit Risk**

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

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	<u>Book Balance</u>	<u>Bank Balance</u>
FDIC/SIPC Insured	\$ 720,102	\$ 720,102
Uninsured, Collateralized by U.S. Government Agencies Securities Held by the Pledging Financial Institution's Agent	6,248,181	6,508,313
Uninsured, Uncollateralized	<u>251,770</u>	<u>251,770</u>
Total	<u>\$7,220,053</u>	<u>\$7,480,185</u>

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

\$251,770 of uninsured, collateralized deposits could be offset by debt at the respective bank.

The book balance is comprised of the following:

Unrestricted Cash – Deposits with Financial Institutions	\$6,524,528
Unrestricted Cash – Deposits held by Investment Company	91,924
Unrestricted Cash Equivalent – Certificate of Deposit	84,388
Investments – Certificates of Deposit	<u>519,213</u>
Total	<u>\$7,220,053</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 and exchange-traded funds are exempt from interest rate risk disclosure. The City's money market mutual funds and mutual funds are open-ended and, therefore, are also exempt from interest rate risk disclosure.

### **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 and exchange-traded funds are exempt from the credit risk disclosure. The City's money market mutual funds and mutual funds are open-ended and, therefore, are also exempt from credit risk disclosure.

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**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, 2023:

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)
Exchange-Traded Funds	\$ 48,693	\$ 48,693	\$ 0	\$ 0
Mutual Funds - Mixed Holdings	<u>1,529,590</u>	<u>1,529,590</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 1,578,283</u>	<u>\$ 1,578,283</u>	<u>\$ 0</u>	<u>\$ 0</u>

**Restricted Cash and Cash Equivalents**

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, 2023 is \$1,961,040.

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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, 2023 is \$429,184.

**B. Deposits held by Escrow Agent**

In 2023, the City entered into a lease agreement with KS StateBank in the amount of \$120,221 for the financing of capital equipment. Lease proceeds are held by an escrow agent until the acquisition of the capital equipment. The amount held by the escrow agent to be spent as of June 30, 2023 is \$22,800.

In 2023, the City entered into lease agreements with Municipal Leasing Consultants, LLC in the amounts of \$449,020 and \$355,000 for the financing of two (2) plow trucks and an ambulance. Lease proceeds are held by an escrow agent until the acquisition of the vehicles. The amount held by the escrow agent to be spent as of June 30, 2023 is \$804,020.

**C. Receivables**

Receivables as of June 30, 2023, as reported in the statement of net position, net of applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Delinquent Taxes Receivable	\$ 266,836	\$ 0	\$ 266,836
Penalties and Interest Receivable	63,257	13,847	77,104
Local Option Sales Tax Receivable	213,938	0	213,938
Ambulance Receivable	189,788	0	189,788
Parking Tickets Receivable	703,608	0	703,608
Grants Receivable	327,240	52,665	379,905
Billed Services	62,899	589,568	652,467
Unbilled Services	0	903,444	903,444
Miscellaneous Receivables	41,995	5,482	47,477
Allowance for Doubtful Accounts - Taxes	(82,000)	0	(82,000)
Allowance for Doubtful Accounts - Ambulance	(95,000)	0	(95,000)
Allowance for Doubtful Accounts - Parking Tickets	(690,171)	0	(690,171)
Allowance for Doubtful Accounts - Cemetery Fees	(14,980)	0	(14,980)
Allowance for Doubtful Accounts - Miscellaneous Fees	(7,609)	0	(7,609)
Allowance for Doubtful Accounts - Water/Sewer	0	(1,623)	(1,623)
	<u>\$ 979,801</u>	<u>\$ 1,563,383</u>	<u>\$ 2,543,184</u>

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**D. Notes Receivable**

Notes receivable as of June 30, 2023 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, 2023	\$ <u><u>0</u></u>

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**E. Capital Assets**

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 3,481,713	\$ 50,123	\$ 0	\$ 3,531,836
Works of Art	308,184	0	0	308,184
Construction in Progress	158,369	48,628	65,316	141,681
Total Capital Assets, Not Being Depreciated	<u>3,948,266</u>	<u>98,751</u>	<u>65,316</u>	<u>3,981,701</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	11,431,983	61,175	10,343	11,482,815
Vehicles, Machinery, Equipment and Furniture	8,459,388	818,773	343,806	8,934,355
Infrastructure	33,111,841	494,782	6,591	33,600,032
Cemetery Developments	823,929	0	0	823,929
Totals	<u>53,827,141</u>	<u>1,374,730</u>	<u>360,740</u>	<u>54,841,131</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	3,299,901	237,778	10,343	3,527,336
Vehicles, Machinery, Equipment and Furniture	5,117,955	504,611	310,173	5,312,393
Infrastructure	12,436,133	1,351,243	6,394	13,780,982
Cemetery Developments	355,556	8,888	0	364,444
Totals	<u>21,209,545</u>	<u>2,102,520</u>	<u>326,910</u>	<u>22,985,155</u>
Total Capital Assets, Being Depreciated	<u>32,617,596</u>	<u>(727,790)</u>	<u>33,830</u>	<u>31,855,976</u>
Governmental Activities Capital Assets, Net	<u>\$ 36,565,862</u>	<u>\$ (629,039)</u>	<u>\$ 99,146</u>	<u>\$ 35,837,677</u>
<b>Business-type Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 319,011	\$ 0	\$ 0	\$ 319,011
Construction in Progress	1,305,703	1,118,436	1,096,907	1,327,232
Total Capital Assets, Not Being Depreciated	<u>1,624,714</u>	<u>1,118,436</u>	<u>1,096,907</u>	<u>1,646,243</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	459,559	0	0	459,559
Vehicles, Machinery, Equipment and Furniture	1,846,521	280,106	55,211	2,071,416
Distribution and Collection Systems	38,702,561	1,110,282	0	39,812,843
Totals	<u>41,008,641</u>	<u>1,390,388</u>	<u>55,211</u>	<u>42,343,818</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	428,377	4,759	0	433,136
Vehicles, Machinery, Equipment and Furniture	1,015,433	95,015	49,378	1,061,070
Distribution and Collection Systems	16,501,625	730,733	0	17,232,358
Totals	<u>17,945,435</u>	<u>830,507</u>	<u>49,378</u>	<u>18,726,564</u>
Total Capital Assets, Being Depreciated	<u>23,063,206</u>	<u>559,881</u>	<u>5,833</u>	<u>23,617,254</u>
Business-type Activities Capital Assets, Net	<u>\$ 24,687,920</u>	<u>\$ 1,678,317</u>	<u>\$ 1,102,740</u>	<u>\$ 25,263,497</u>

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Depreciation was charged as follows:

Governmental Activities:		Business-type Activities:	
General Government	\$ 115,615	Water	\$ 454,577
Public Safety	318,799	Sewer	<u>375,930</u>
Public Works	1,522,922		
Culture and Recreation	128,752		
Cemetery	<u>16,432</u>		
Total Depreciation Expense - Governmental Activities	<u>\$ 2,102,520</u>	Total Depreciation Expense - Business-type Activities	<u>\$ 830,507</u>

**F. Interfund Balances and Activity**

The composition of interfund balances as of June 30, 2023 are as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 0	\$ 2,705,553
Capital Improvement Fund	868,005	0
Special Fund	676,019	0
Non-Major Governmental Funds	46,814	206,954
Water Fund	2,976,896	0
Sewer Fund	<u>0</u>	<u>1,655,227</u>
	<u>\$ 4,567,734</u>	<u>\$ 4,567,734</u>

The City utilized an interfund loan for the purchase of land and a building at Enterprise Aly. On October 25, 2022, the City Council assigned a portion of FY22 surplus to pay the remaining balance of \$149,154 plus interest of \$136. Interest was calculated on the loan at the rate the Sewer Fund would have earned for that year. During 2023, average interest was 0.09%.

Interfund transfers during the year ended June 30, 2023 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Capital Improvement Fund	\$ 149,290	Fund Debt Service
General Fund	Capital Improvement Fund	25,000	Appropriation
General Fund	Capital Improvement Fund	233,139	Fund Capital Equipment Expenditures
General Fund	Semprebon Fund	62,197	Transfer Annuity Earnings
Capital Improvement Fund	General Fund	51,188	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	<u>25,000</u>	Transfer Interest Earnings
Total		<u>\$ 561,314</u>	

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**G. Deferred Outflows of Resources**

Deferred outflows of resources in the governmental activities consists of \$387,359 from the difference between the expected and actual experience, \$837,381 from the net difference between the projected and actual investment earnings on pension plan investments, \$263,694 from changes in assumptions and \$71,046 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 \$454,627 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the governmental activities is \$2,014,107.

Deferred outflows of resources in the business-type activities consists of \$48,958 from the difference between the expected and actual experience, \$105,837 from the net difference between the projected and actual investment earnings on pension plan investments, \$33,328 from changes in assumptions and \$8,979 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 \$57,461 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the business-type activities is \$254,563.

Deferred outflows of resources in the Water Fund consists of \$25,649 from the difference between the expected and actual experience, \$55,449 from the net difference between the projected and actual investment earnings on pension plan investments, \$17,461 from changes in assumptions and \$4,704 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 \$30,104 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the Water Fund is \$133,367.

Deferred outflows of resources in the Sewer Fund consists of \$23,309 from the difference between the expected and actual experience, \$50,388 from the net difference between the projected and actual investment earnings on pension plan investments, \$15,867 from changes in assumptions and \$4,275 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 \$27,357 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the Sewer Fund is \$121,196.

**H. Unearned Revenue**

Unearned revenue in the governmental activities consists of \$10,620 of rental property registration fees, \$7,256 of recreation registrations and \$2,499,895 of the unspent American Rescue Plan Act (ARPA) Grant funds received in advance. Total unearned revenue in the governmental activities is \$2,517,771.

Unearned revenue in the General Fund consists of \$10,620 of rental property registration fees and \$7,256 of recreation registrations received in advance. Total unearned revenue in the General Fund is \$17,876.

Unearned revenue in the Special Fund consists of \$2,499,895 of the unspent American Rescue Plan Act (ARPA) Grant funds received in advance.

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**I. Deferred Inflows of Resources**

Deferred inflows of resources in the governmental activities consists of \$171,859 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).

Deferred inflows of resources in the business-type activities consists of \$21,721 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).

Deferred inflows of resources in the General Fund consists of \$193,000 of delinquent property taxes, penalties, interest and related fees on those taxes, \$34,500 of ambulance fees, \$72,973 of grant revenue and \$6,531 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 \$307,004.

Deferred inflows of resources in the Capital Improvement Fund consists of \$200 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 Special Fund consists of \$246,220 of grant revenue not collected within sixty (60) days after year end as these would not be available to liquidate current liabilities.

Deferred inflows of resources in the Water Fund consists of \$11,380 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).

Deferred inflows of resources in the Sewer Fund consists of \$10,341 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).

**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.

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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 financed purchases for accounting purposes (even though they may include clauses that allow for cancellation of the lease in the event the City does not appropriate funds in future years) and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date of the leases. Leases are reported in governmental activities if the debt is expected to be repaid from general governmental revenues and in business-type activities if the debt is expected to be repaid from proprietary fund revenues.

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

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

The State of Vermont offers a number of no-interest and low 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, 2023 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, 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	\$ 975,000	\$ 0	\$195,000	\$ 780,000

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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, North Main Street Improvements, Principal Payments Ranging from \$85,000 to \$90,000 in Total Payable on November 15 Annually, Interest Rates Ranging from 0.80% to 4.66% Payable on May 15 and November 15, Due November, 2031. This is the Governmental Activities Portion of the Bond.	\$ 364,287	\$ 0	\$ 36,432	\$ 327,855
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	805,000	0	115,000	690,000
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	612,000	0	36,000	576,000
Bond Payable, Vermont Municipal Bond Bank, TIF District Bond, Principal Payments of \$88,000 Payable on November 1 Annually, Interest Rates Ranging from 0.83% to 4.40% Payable on May 1 and November 1, Due November, 2040	1,672,000	0	88,000	1,584,000
Bond Payable, Vermont Municipal Bond Bank, Capital Improvement Projects, Principal Payments of \$83,333 in Total Payable on November 1 Annually, Interest Rates Ranging from 1.35% to 3.25% Payable on May 1 and November 1, Due November, 2049. This is the Governmental Activities Portion of the Bond.	150,032	0	5,359	144,673

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JUNE 30, 2023

	<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 Rates Ranging from 1.35% to 2.70% Payable on May 1 and November 1, Due November, 2030	\$ 448,000	\$ 0	\$ 56,000	\$ 392,000
Bond Payable, Vermont Municipal Bond Bank, Public Works Equipment and Infrastructure, Principal Payments of \$76,325 Payable on November 1 Annually, Interest Rates Ranging from 0.45% to 2.901% Payable on May 1 and November 1, Due November, 2041	1,526,500	0	76,325	1,450,175
Note Payable, U.S. 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	26,000	0	3,250	22,750
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	562,500	0	37,500	525,000
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	400,000	0	25,000	375,000
Financed Purchase, Municipal Leasing Consultants, Ambulance, Principal and Interest Payments of \$37,431 Payable on December 27 Annually, Interest at 2.87%, Due and Paid December, 2023	71,758	0	35,372	36,386

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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Financed Purchase, Municipal Leasing Consultants, Ambulance, Principal and Interest Payments of \$81,928 Payable on April 21 Annually Beginning April, 2024, Interest at 4.97%, Due April, 2028	\$ 0	\$355,000	\$ 0	\$ 355,000
Financed Purchase, Municipal Leasing Consultants, 2 Plows, Principal and Interest Payments of \$77,684 Payable on April 21 Annually Beginning April, 2024, Interest at 4.97%, Due April, 2030	0	449,020	0	449,020
Financed Purchase, Kansas State Bank, Dispatch Consoles and Equipment, Principal and Interest Payments of \$37,431 Payable on August 4 Annually Beginning August, 2023, Interest at 5.17%, Due August, 2027	<u>0</u>	<u>120,221</u>	<u>0</u>	<u>120,221</u>
Total Governmental Activities	<u>\$7,613,077</u>	<u>\$924,241</u>	<u>\$709,238</u>	<u>\$7,828,080</u>
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	\$4,302,368	\$ 0	\$259,903	\$4,042,465
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.	141,829	0	14,182	127,647

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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 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.	\$1,134,466	\$ 0	\$ 40,515	\$1,093,951
Bond Payable, Vermont Municipal Bond Bank, Water Equipment & Infrastructure, Principal Payments of \$3,838 Payable on November 1 Annually, Interest Rates Ranging from 0.45% to 2.90% Payable on May 1 and November 1, Due November, 2041	76,750	0	3,838	72,912
Bond Payable, State of Vermont Special Environmental Revolving Fund, Deep Rock Water System, Principal Payments of \$7,389 Payable on December 1 Annually, 0% Interest, Due December, 2035	103,448	0	7,389	96,059
Bond Payable, State of Vermont Special Environmental Revolving Fund, Hydro Power Turbine, Principal Payments of \$9,298 Payable on July 1 Annually, 0% Interest, Due July, 2044. The City made the July, 2023 in June, 2023.	204,561	0	9,298	195,263
Bond Payable, State of Vermont Special Environmental Revolving Fund, Trestle Project, Principal Payments of \$13,778 Payable on November 1 Annually, 0% Interest, Due November, 2045	330,664	0	13,778	316,886
Bond Payable, State of Vermont Special Environmental Revolving Fund, Asset Management Plan, Authorized to \$50,000 but Eligible for \$37,500 Principal Forgiveness, Principal Payments of \$2,500 Payable on January 1 Annually Beginning January, 2027, 0% Interest, Due January, 2031. The City Recognized the Principal Forgiveness of \$37,500 During the Year.	0	50,000	37,500	12,500

CITY OF BARRE, VERMONT  
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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Note Payable, 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>260,388</u>	\$ <u>0</u>	\$ <u>62,916</u>	\$ <u>197,472</u>
Total Water Fund	<u>6,554,474</u>	<u>50,000</u>	<u>449,319</u>	<u>6,155,155</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	605,588	0	100,876	504,712
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.	343,887	0	34,386	309,501
Bond Payable, Vermont Municipal Bond Bank, 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.	1,048,832	0	37,459	1,011,373
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	810,000	0	45,000	765,000

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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Sewer Treatment Plant HVAC Project, Principal and Interest Payments of \$11,319 Payable on February 1 Annually, Interest at 2%, Due February, 2032	\$ 101,672	\$ 0	\$ 9,285	\$ 92,387
Bond Payable, Vermont Municipal Bond Bank, Sewer Equipment & Infrastructure, Principal Payments of \$4,838 Payable on November 1 Annually, Interest Ranging from 0.45% to 2.90% Payable on May 1 and November 1, Due November, 2041	<u>96,750</u>	<u>0</u>	<u>4,838</u>	<u>91,912</u>
Total Sewer Fund	<u>3,006,729</u>	<u>0</u>	<u>231,844</u>	<u>2,774,885</u>
Total Business-type Activities	<u>\$9,561,203</u>	<u>\$50,000</u>	<u>\$681,163</u>	<u>\$8,930,040</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>
<b>Governmental Activities</b>					
General Obligation Bonds Payable	\$ 6,552,819	\$ 0	\$ 608,116	\$ 5,944,703	\$ 608,112
Notes Payable	988,500	0	65,750	922,750	65,750
Financed Purchases	71,758	924,241	35,372	960,627	177,523
VMERS Delayed Enrollment Liability	51,000	0	17,000	34,000	17,000
Compensated Absences Payable	550,150	44,170	0	594,320	0
Net Pension Liability	<u>2,666,674</u>	<u>2,491,196</u>	<u>0</u>	<u>5,157,870</u>	<u>0</u>
Total Governmental Activities Long-term Liabilities	<u>\$ 10,880,901</u>	<u>\$ 3,459,607</u>	<u>\$ 726,238</u>	<u>\$ 13,614,270</u>	<u>\$ 868,385</u>
<b>Business-type Activities</b>					
General Obligation Bonds Payable	\$ 9,300,815	\$ 50,000	\$ 618,247	\$ 8,732,568	\$ 595,115
Notes Payable	260,388	0	62,916	197,472	64,330
Compensated Absences Payable	128,411	0	6,138	122,273	0
Net Pension Liability	<u>284,363</u>	<u>367,539</u>	<u>0</u>	<u>651,902</u>	<u>0</u>
Total Business-type Activities Long-term Liabilities	<u>\$ 9,973,977</u>	<u>\$ 417,539</u>	<u>\$ 687,301</u>	<u>\$ 9,704,215</u>	<u>\$ 659,445</u>

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.

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Debt service requirements to maturity are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	851,385	246,982	659,445	277,780
2025	822,070	219,719	675,817	257,375
2026	829,499	188,544	692,914	236,091
2027	837,298	166,576	644,163	214,097
2028	650,489	144,858	598,569	193,786
2029-2033	1,864,321	476,863	2,827,016	624,592
2034-2038	1,303,415	232,197	1,605,718	207,682
2039-2043	632,090	43,697	629,943	124,152
2044-2048	26,795	3,913	440,505	56,943
2049-2053	10,718	348	155,950	5,069
Total	<u>\$ 7,828,080</u>	<u>\$ 1,723,697</u>	<u>\$ 8,930,040</u>	<u>\$ 2,197,567</u>

**L. Fund Balances**

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

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

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

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

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

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

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

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

Major Funds

General Fund:	
Nonspendable Prepaid Items	\$ 199,303
Nonspendable Inventory	<u>76,157</u>
Total General Fund	<u>275,460</u>

Capital Improvement Fund:	
Nonspendable Inventory	<u>90,250</u>

Non-Major Funds

Permanent Fund:	
Nonspendable Cemetery Trust Fund Principal	<u>827,411</u>
Total Nonspendable Fund Balances	<u>\$1,193,121</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)	\$ 693,277
Restricted for Purchase of Capital Equipment and Vehicles by Unspent Lease Proceeds (Source of Revenue is Lease Proceeds)	<u>826,820</u>
Total Capital Improvement Fund	<u>1,520,097</u>

Special Fund:	
Restricted for Donation Fund Expenditures by Donations (Source of Revenue is Donations)	17,905
Restricted for Opioid Crisis Abatement Expenses by Settlement Agreement (Source of Revenue is Opioid Settlement Funds)	43,840
Restricted for Restoration of Records by Statute (Source of Revenue is Recording Fees)	125,395
Restricted for Energy Committee Expenses by Donations (Source of Revenue is Donations)	2,503
Restricted for BOR/Civic Center Expenses by Donations (Source of Revenue is Donations)	152,401
Restricted for Recreation Expenses by Grant Agreement (Source is Grant Revenue)	<u>9,385</u>
Total Special Fund	<u>351,429</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)	49,634
Restricted for Semprebbon Fund for the Bike Path and Other Non-Operating Expenditures by Bequest (Source of Revenue is Donations)	<u>600,183</u>
Total Special Revenue Funds	<u>652,656</u>

Capital Projects Funds:

Restricted for Semprebbon Fund for the Bike Path and Other Non-Operating Expenditures by Bequest – Designated for Shade Tree Improvement Expenditures (Source of Revenue is Donations)	8,206
Restricted for TIF District Debt Service by Charter (Source of Revenue is Property Taxes)	<u>245,369</u>
Total Capital Projects Funds	<u>253,575</u>

Permanent Fund:

Restricted for Cemetery Trust Fund Expenditures by Endowments and Trust Agreements	<u>227,672</u>
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Total Non-Major Funds	<u>1,133,903</u>
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Total Restricted Fund Balances	<u>\$3,005,429</u>
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The fund balances in the following funds are assigned as follows:

Major Funds

General Fund:

Assigned for Committee Expenditures	\$ 1,358
Assigned for Capital Improvement Expenditures	125,000
Assigned for Replacement Fire Gear	<u>45,298</u>
Total General Fund	<u>171,656</u>

Capital Improvement Fund:

Assigned for Capital Improvement Expenditures	<u>812,817</u>
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CITY OF BARRE, VERMONT  
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Special Fund:	
Assigned for Reappraisal Expenses	\$ 441,794
Assigned for Recreation Programs	3,826
Assigned for ARPA Expenses	21,928
Assigned for Hope Cemetery Expenses	51,841
Assigned for Energy Committee Expenses	1,935
Assigned for Bike Path Maintenance Expenses	92,042
Assigned in Excess of Available Fund Balance	<u>(215,484)</u>
Total Special Fund	<u>397,882</u>
 <u>Non-Major Funds</u>	
Special Revenue Funds:	
Assigned for Special Recreation Program Expenses	18,680
Capital Projects Funds:	
Assigned for Shade Tree Improvement Expenditures	<u>19,928</u>
Total Non-Major Funds	<u>38,608</u>
Total Assigned Fund Balances	<u>\$1,420,963</u>

**M. Restricted and Designated Net Position**

The restricted net position of the City as of June 30, 2023 consisted of the following:

Governmental Activities:	
Restricted for Special Fund Expenditures by Donations, Statute, Grant Revenue and Settlement Agreement	\$ 351,429
Restricted for Community Development by Grant Agreements	2,839
Restricted for Drug Forfeiture Expenditures by Agreement	49,634
Restricted for Semprebon Fund for the Bike Path and Other Non-Operating Expenditures by Bequest	608,389
Restricted for TIF District Debt Service by Charter	245,369
Restricted for Cemetery Trust Fund Expenditures by Endowments and Trust Agreements – Non-Expendable Portion – Estimated	827,411
Restricted for Cemetery Trust Fund Expenditures by Endowments and Trust Agreements – Expendable Portion	<u>227,672</u>
Total Governmental Activities	<u>\$2,312,743</u>

The unrestricted deficit in the Sewer Fund of \$1,331,120 will be funded in future years with additional revenues.

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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, 2023 consisted of the following:

Private-Purpose Trust Funds:	
Restricted for Keith Fund by Donations	\$ 17,443
Restricted for Brusa Fund by Bequest	<u>85,932</u>
 Total Private-Purpose Trust Funds	 <u>\$103,375</u>

**V. OTHER INFORMATION**

**A. Benefit Plans**

**Defined Benefit Plan**

**The Vermont Municipal Employees’ Retirement System (VMERS)**

**Plan Description**

The Vermont Municipal Employees’ Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for municipal and school district employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution’s operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. As of June 30, 2022, the measurement date selected by the State of Vermont, the retirement system consisted of 359 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.

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**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

As of June 30, 2022, the measurement date selected by the State of Vermont, VMERS was funded at 73.60% and had a plan fiduciary net position of \$845,979,471 and a total pension liability of \$1,149,351,427 resulting in a net position liability of \$303,371,956. As of June 30, 2023, the City's proportionate share of this was 1.9151% resulting in a net pension liability of \$5,809,772. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. 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 1.9151% was a decrease of 0.0899 from its proportion measured as of the prior year.

For the year ended June 30, 2023, the City recognized pension expense of \$1,045,255.

As of June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 436,317	\$ 0
Net difference between projected and actual investment earnings on pension plan investments	943,218	0
Changes in assumptions	297,022	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	80,025	193,580
City's required employer contributions made subsequent to the measurement date	<u>512,088</u>	<u>0</u>
	<u>\$ 2,268,670</u>	<u>\$ 193,580</u>

The deferred outflows of resources resulting from the City's required employer contributions made subsequent to the measurement date in the amount of \$512,088 will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

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Year Ending <u>June 30</u>	
2024	\$ 491,872
2025	377,121
2026	135,212
2027	<u>558,797</u>
Total	<u>\$1,563,002</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 retirement 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.

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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 allowance computed as of date of death. For Group D, 70% of the unreduced accrued benefit plus children’s benefit.

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.

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 Contributions – Upon termination, if the member so elects or if no other benefit is payable, the member’s accumulated contributions with interest are refunded.

Member Contribution Rates – Group A – 3.25%. Group B – 5.625%. Group C – 10.75%. Group D – 12.10%.

Employer Contribution Rates – Group A – 4.75%. Group B – 6.25%. Group C – 8.00%. Group D – 10.60%.

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.

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Inflation: 2.30% per year.

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.

Cost-of-Living Adjustments: 1.10% for Group A members and 1.20% for Groups B, C and D members. The January 1, 2022 COLA was 2.00% for Group A members and 2.30% for Groups B, C and D members. The January 1, 2023 COLA was 2.00% for Group A members and 3.00% for Groups B, C and D members.

Mortality:

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

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

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

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

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.

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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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Passive Global Equities	24%	4.30%
Active Global Equities	5%	4.30%
Large Cap US Equities	4%	3.25%
Small/Mid Cap US Equities	3%	3.75%
Non-US Developed Market Equities	7%	5.00%
Private Equity	10%	6.50%
Emerging Market Debt	4%	3.50%
Private & Alternate Credit	10%	4.75%
Non-Core Real Estate	4%	6.00%
Core Fixed Income	19%	0.00%
Core Real Estate	3%	3.50%
US TIPS	3%	(0.50)%
Infrastructure/Farmland	4%	4.25%

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. 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). The Board voted to authorize employer contribution rate increases of 0.50% each year for a period of four years beginning July 1, 2022. In 2022, the Legislature passed H.740, which effectively split the Board-authorized increases evenly between members and employers by including an increase in the employee rate of 0.25% for each group for four years, beginning July 1, 2022. 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, 2022. 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.

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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%):

<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
\$8,705,688	\$5,809,772	\$3,427,760

**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 2023 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 has not allowed new entrants into the plan since June 30, 2007.

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 \$7,331,488 while its covered payroll for this plan was \$236,696. During the year ended June 30, 2023, the City contributed \$37,871 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, voter and City Council approved exemptions and stabilizations, and the State education property tax liability. Property taxes are collected four (4) times per year. During the tax year ended June 30, 2023, property taxes became due and payable on September 15, 2022, November 15, 2022, February 15, 2023 and May 15, 2023. 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 2023 were as follows:

	<u>Homestead</u>	<u>Non-Homestead</u>
Education	1.3187	1.5837
Municipal	2.0180	2.0180
Local Agreement	<u>0.0139</u>	<u>0.0139</u>
Total	<u>3.3506</u>	<u>3.6156</u>

**D. Gift Annuity**

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

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**E. 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. The lease expired May 1, 2023. Lease revenue totaled \$62,899 for the year ended June 30, 2023. The terms of the lease required payments of 30% of the gross monthly revenue.

**F. 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.

There is currently a pending claim against the City where the City's insurance carrier is providing defense. The City is vigorously defending the claim. The City and the insurer do not believe that the claim could exceed the insurance policy limits in the event of unfavorable ruling.

In November, 2023, the City reached an agreement with the Vermont Agency of Natural Resources pertaining to an alleged unauthorized sewage discharge into the Stevens Branch of the Winooski River. The agreement assessed the City with a penalty of \$15,938 and requires a contribution of \$47,813 towards one or more Supplemental Environmental Projects, approved by the Vermont Agency of Natural Resources, within 180 days of the agreement. If the Supplemental Environmental Projects are not completed within this deadline the amount will be converted to a civil penalty and payable immediately to the State of Vermont.

**G. 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.

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## **H. 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.
- 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;

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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.
- D. The City Council reserves the right to identify City prioritized areas and can thus award a bonus percentage of the education portion of the taxes to the Applicant's Project.
- E. A termination and rollback clause shall be included in the Stabilization Agreement providing for termination of the Stabilization Agreement by the City Council and repayment of all taxes that would have been due in the absence of a Stabilization Agreement plus applicable penalties and interest proscribed below, required to be repaid effective as of the date of final determination made by the City Council hereunder. This termination and rollback clause may be invoked by the City Council upon the recommendation of the City Assessor or Barre City Manager in the event that during the term of the Stabilization Agreement:

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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, 2023, the City had four (4) tax stabilization contracts in effect with a total impact of \$32,154, which was spread over all other taxable properties. In addition, the City also had veterans' exemptions totaling \$14,100, which was also spread over all other taxable properties. The impact on education taxes was \$46,254, which was taken into consideration when calculating the local agreement tax rate.

**I. Big Dig Project**

In May 2019, an agreement was reached between the Vermont Agency of Transportation and the City of Barre for the local share portion of the "Big Dig" project. The final payment date was extended by Vermont Agency of Transportation until 2025 due to the financial constraints experienced by the City as a result of the July 2023 flood event. The remaining payment is as follows:

2025 \$104,022

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	Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Revenues:</b>			
<b>General Tax Revenue:</b>			
General Taxes	\$ 9,538,855	\$ 9,309,760	\$ (229,095)
Washington County Tax	40,419	40,419	0
Voter Approved Assistance	149,601	149,601	0
Central VT Public Safety Authority	<u>15,900</u>	<u>15,900</u>	<u>0</u>
<b>Total General Tax Revenue</b>	<u>9,744,775</u>	<u>9,515,680</u>	<u>(229,095)</u>
<b>Business Licenses:</b>			
Liquor Licenses	3,000	3,145	145
Miscellaneous Licenses	816	736	(80)
Restaurant Licenses	2,800	2,940	140
Taxicab and Taxidriver Licenses	500	378	(122)
Theater Licenses	252	252	0
Trucking, Rubbish and Waste	5,000	7,554	2,554
Entertainment	2,500	3,696	1,196
Cannabis Licenses	<u>0</u>	<u>500</u>	<u>500</u>
<b>Total Business Licenses</b>	<u>14,868</u>	<u>19,201</u>	<u>4,333</u>
<b>Payment in Lieu of Taxes:</b>			
Capstone	24,380	25,241	861
Barre Housing	45,000	57,758	12,758
State of Vermont	<u>248,000</u>	<u>283,048</u>	<u>35,048</u>
<b>Total Payment in Lieu of Taxes</b>	<u>317,380</u>	<u>366,047</u>	<u>48,667</u>
<b>Fees and Franchises:</b>			
Animal Control Licenses	5,500	5,599	99
Tax Equalization	0	3,357	3,357
Hold Harmless	0	7,933	7,933
Act 68 Administration Revenue	15,500	15,146	(354)
Building and Zoning Fees	55,000	42,523	(12,477)
Vehicle Registrations	200	216	16
Delinquent Tax Collector Fee	42,000	44,141	2,141
Parking Meters	65,000	90,702	25,702
Green Mountain Passports	50	48	(2)
Parking Permits	87,125	84,157	(2,968)
Marriage Licenses	580	790	210
Miscellaneous Income	800	5,164	4,364
Police Department Fees	5,000	6,362	1,362
Recording Fees	80,000	91,531	11,531
Recreation Fees	500	3,151	2,651
Swimming Pool Admissions/DAY CAMP	12,000	14,144	2,144
Vault Fees	1,000	818	(182)
Cell Tower Fees	<u>51,617</u>	<u>33,847</u>	<u>(17,770)</u>

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	Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Fees and Franchises/(Cont'd):</b>			
Fire Alarm Maintenance Fees	\$ 14,000	\$ 13,650	\$ (350)
Rental Property Registration	110,000	102,235	(7,765)
Delinquent Rental Permits	1,000	272	(728)
Burn Permits	4,000	3,690	(310)
Credit Card Processing Fees	9,000	11,739	2,739
FD Public Report Fee	100	80	(20)
EV Charging Station	300	144	(156)
Time of Sale Inspection Fees	3,500	3,150	(350)
Vacant Building Registration	0	5,300	5,300
<b>Total Fees and Franchises</b>	<b>563,772</b>	<b>589,889</b>	<b>26,117</b>
<b>Fines and Penalties:</b>			
City Ordinance Violations	2,500	2,921	421
Penalties and Interest on Miscellaneous Fines	2,600	1,474	(1,126)
Delinquent Tax Interest	28,000	23,898	(4,102)
Traffic Court	20,000	9,554	(10,446)
Parking Tickets	25,000	23,672	(1,328)
<b>Total Fines and Penalties</b>	<b>78,100</b>	<b>61,519</b>	<b>(16,581)</b>
<b>Federal and State Aid:</b>			
Federal Grants	0	23,733	23,733
Highway Aid	140,000	146,383	6,383
COPS Police Grant	83,332	105,545	22,213
Police Grants	1,000	4,749	3,749
State SIU Grant	60,000	45,000	(15,000)
ODV Circle Grant	35,000	0	(35,000)
<b>Total Federal and State Aid</b>	<b>319,332</b>	<b>325,410</b>	<b>6,078</b>
<b>Rents and Leases:</b>			
Auditorium	35,000	60,581	25,581
Alumni Rental/lease	7,200	10,200	3,000
BOR Rents and Leases	128,000	125,143	(2,857)
Special Projects - Custodial Fees	6,650	11,937	5,287
Miscellaneous Rents	0	600	600
<b>Total Rents and Leases</b>	<b>176,850</b>	<b>208,461</b>	<b>31,611</b>

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	Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Charges for Services:</b>			
Williston FD	\$ 31,360	\$ 11,133	\$ (20,227)
First Branch Ambulance Billing	11,760	5,566	(6,194)
East Montpelier Ambulance Billing	12,550	5,449	(7,101)
Ambulance Inc - Lift Assist	485,000	607,335	122,335
Enterprise Funds	1,017,333	1,017,333	0
City Report - School	2,500	2,500	0
Operation/Maintenance - Jail	6,000	4,175	(1,825)
Dispatch Services	54,355	64,124	9,769
School Resource Officers	80,375	64,720	(15,655)
Special Projects - Police Detail	15,000	23,593	8,593
Special Projects - Fire Detail	7,000	9,062	2,062
	<u>1,723,233</u>	<u>1,814,990</u>	<u>91,757</u>
<b>Total Charges for Services</b>			
<b>Cemetery Revenue:</b>			
Rents	5,411	5,412	1
Flower Trust Fund Transfer	500	500	0
Trust Fund Interest	25,000	25,000	0
Entombments	2,000	1,150	(850)
Foundations	10,000	7,085	(2,915)
Interments	66,000	80,545	14,545
Markers/Post	1,500	1,660	160
Tent Setups	500	300	(200)
Lot Sales	22,500	14,021	(8,479)
Tours/DVD Sales	1,250	1,510	260
	<u>134,661</u>	<u>137,183</u>	<u>2,522</u>
<b>Total Cemetery Revenue</b>			
<b>Miscellaneous Revenue:</b>			
Interest Income	20,000	19,575	(425)
Transfers from Other Funds	151,188	51,188	(100,000)
Semprebon Annuity	50,000	62,197	12,197
	<u>221,188</u>	<u>132,960</u>	<u>(88,228)</u>
<b>Total Miscellaneous Revenue</b>			
<b>Total Revenues</b>	<u>13,294,159</u>	<u>13,171,340</u>	<u>(122,819)</u>

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	<u>Budget</u>	<u>Actual</u>	Variance Favorable/ (Unfavorable)
<b>Expenditures:</b>			
<b>Administrative and General:</b>			
Personnel Services	\$ 8,000	\$ 6,750	\$ 1,250
FICA	612	516	96
Consulting Services	0	1,550	(1,550)
City Council's Expenses	20,000	18,138	1,862
Telephone	220	536	(316)
Office Machines Maintenance	10,000	12,107	(2,107)
Single Audit	9,000	0	9,000
Annual Audit	27,600	27,600	0
City Report	6,500	5,599	901
Dues/Membership Fees	27,500	23,147	4,353
Holiday Observance	2,000	3,216	(1,216)
Postage Meter Contract	1,577	1,886	(309)
Advertising/Printing	17,000	11,096	5,904
Office Machines Supplies	3,000	4,545	(1,545)
Postage For Meter	17,500	15,713	1,787
Email Licenses	6,166	6,105	61
Software/City Hall	36,220	45,927	(9,707)
Printer/City Hall	3,500	6,879	(3,379)
Working Community Grant Match	5,000	0	5,000
Interpretive Services	1,000	0	1,000
	<u>202,395</u>	<u>191,310</u>	<u>11,085</u>
<b>Total Administrative and General</b>			
<b>Assessor:</b>			
Personnel Services	116,375	54,988	61,387
Overtime	2,500	0	2,500
FICA	8,880	4,276	4,604
Training and Development	2,000	50	1,950
Telephone	1,560	828	732
Equipment Purchase/SW Licenses	7,500	4,040	3,460
Advertising/Printing	1,500	445	1,055
Glasses	200	0	200
Office Supplies	500	69	431
Office Equipment	500	0	500
Contracted Services	0	420	(420)
	<u>141,515</u>	<u>65,116</u>	<u>76,399</u>
<b>Total Assessor</b>			
<b>Legal Expenses:</b>			
Professional Services - City Attorney	27,500	46,192	(18,692)
Professional Services - Labor	2,500	9,979	(7,479)
Contract Negotiations	10,000	19,525	(9,525)
	<u>40,000</u>	<u>75,696</u>	<u>(35,696)</u>
<b>Total Legal Expenses</b>			

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	Budget	Actual	Variance Favorable/ (Unfavorable)
City Manager:			
Personnel Services	\$ 279,756	\$ 273,222	\$ 6,534
Overtime	200	45	155
FICA	21,417	20,488	929
IT Contract	1,000	1,083	(83)
Website Vendor Maintenance	1,250	2,100	(850)
Network HW/SW Expenses	1,000	0	1,000
IT Expenses	0	8,896	(8,896)
Consultant Fees	0	6,800	(6,800)
Training/Development	2,000	1,549	451
Manager's Expenses	1,500	995	505
Secure Shred	1,250	546	704
Telephone	4,000	3,323	677
Dues/Memberships	1,500	329	1,171
Advertising/Printing	1,000	0	1,000
Car Maintenance and Supplies	2,997	2,740	257
Glasses	570	195	375
Office Supplies/Equipment	1,500	4,399	(2,899)
Computer Equipment/Software	2,000	1,281	719
	<u>322,940</u>	<u>327,991</u>	<u>(5,051)</u>
Total City Manager			
Finance:			
Personnel Services	196,381	209,694	(13,313)
Overtime Allowance	1,000	69	931
FICA	15,100	15,123	(23)
Consultant Fees	0	460	(460)
Training/Development	2,750	2,090	660
Travel/Meals	200	448	(248)
Telephone	1,260	1,485	(225)
Equipment Purchase Contract	5,305	5,071	234
Advertising/Printing	250	0	250
Computer Maintenance	500	0	500
Glasses	565	652	(87)
Computer Supplies	100	40	60
Computer Forms	1,000	247	753
Office Supplies	1,500	1,456	44
Annual Disaster Recovery	575	597	(22)
	<u>226,486</u>	<u>237,432</u>	<u>(10,946)</u>
Total Finance			
Elections:			
Personnel Services	6,000	6,585	(585)
Program Materials	5,000	4,145	855
BCA Expenses	500	456	44
	<u>11,500</u>	<u>11,186</u>	<u>314</u>
Total Elections			

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Clerk's Office:			
Personnel Services	\$ 190,610	\$ 190,483	\$ 127
Overtime Allowance	500	141	359
FICA	14,620	13,774	846
Training/Development	500	517	(17)
Travel/Meals	100	85	15
Telephone	1,500	1,242	258
Maintenance of Office Machines	200	145	55
Recording of Records	14,000	13,520	480
Advertising (Taxes)	5,000	5,113	(113)
Credit Card Expenses	10,800	14,750	(3,950)
Glasses	753	565	188
Office Supplies/Equipment	1,500	2,852	(1,352)
Program Materials	3,500	3,688	(188)
Computer Equipment/Software	500	812	(312)
	<u>244,083</u>	<u>247,687</u>	<u>(3,604)</u>
Total Clerk's Office			
Animal Control:			
Professional Services/Fees	3,000	1,185	1,815
Humane Society Fees	8,000	2,990	5,010
	<u>11,000</u>	<u>4,175</u>	<u>6,825</u>
Total Animal Control			
Fire Department:			
Regular Salaries	1,400,505	1,312,893	87,612
Overtime Salaries	189,091	281,075	(91,984)
Part-Time Employees	8,500	1,391	7,109
FICA	122,254	117,785	4,469
Consulting Fees	1,000	4,242	(3,242)
Ambulance Revenue Tax	16,005	13,593	2,412
Training/Development	4,500	3,170	1,330
Emgt Training/Development	5,300	648	4,652
Travel/Meals	1,500	14,872	(13,372)
Ambulance Billing Training	1,500	415	1,085
Telephone	7,500	9,958	(2,458)
Cell Phones	7,560	5,048	2,512
Dues/Membership Fees	2,500	1,914	586
Advertising/Printing	250	92	158
Physicals	4,000	8,666	(4,666)
Breathing Apparatus	15,000	5,657	9,343
Fire Hose	5,000	6,084	(1,084)
Radios/Pagers	5,000	4,198	802

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Fire Department/(Cont'd):			
Car and Truck Maintenance	\$ 35,000	\$ 33,120	\$ 1,880
Radio Repair	3,000	2,797	203
Fire Alarm Maintenance	2,000	2,963	(963)
Secure Vacant Property	500	25	475
Fuel Oil	200	241	(41)
Vehicle Fuel	23,500	24,650	(1,150)
Clothing	10,000	16,754	(6,754)
Safety Equipment	15,000	53,958	(38,958)
Footwear	4,850	2,172	2,678
Glasses	4,190	1,750	2,440
Dry Cleaning	750	685	65
Furniture/Appliances	2,400	2,167	233
Ambulance Bill Mailers	2,400	1,185	1,215
Ambulance Contract Billing	0	31,167	(31,167)
Office Supplies	5,000	2,595	2,405
Medical Supplies and Equipment	30,000	27,881	2,119
Oxygen	4,000	2,697	1,303
Training Supplies	1,000	1,045	(45)
Defibrillator Preventative Maintenance	5,500	2,987	2,513
Fire Prevention Program	300	21	279
Fire Investigation Materials	300	62	238
Email Accounts	2,300	2,678	(378)
COVID-19 Materials	0	926	(926)
Computer Software/Office Equipment	22,400	25,298	(2,898)
Computer Replacement	2,000	864	1,136
	<u>1,973,555</u>	<u>2,032,389</u>	<u>(58,834)</u>
Total Fire Department			
City Hall Maintenance:			
Personnel Services	38,070	9,463	28,607
Overtime	0	85	(85)
FICA	2,912	746	2,166
City Hall Electricity	7,691	9,317	(1,626)
City Hall Solar Project	9,830	7,677	2,153
Rubbish Removal	3,000	3,451	(451)
Water Bills	3,125	2,515	610
City Hall Improvements/Repairs	25,000	57,308	(32,308)
Fuel Oil	41,000	52,888	(11,888)
Clothing	623	794	(171)
Footwear	100	0	100
Glasses	100	100	0
Custodial Supplies	2,500	2,112	388
Building/Grounds Supplies	2,000	1,878	122
	<u>135,951</u>	<u>148,334</u>	<u>(12,383)</u>
Total City Hall Maintenance			

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Meters:			
Personnel Services	\$ 71,893	\$ 63,845	\$ 8,048
FICA	5,500	4,859	641
Electricity - Merchant's Row	600	1,932	(1,332)
EVCS Maintenance	675	0	675
Towing Fees	4,000	2,796	1,204
Pager/Air Cards	1,100	2,238	(1,138)
Meter Maintenance	2,000	2,718	(718)
Clothing	1,000	0	1,000
Footware	350	225	125
Glasses	185	485	(300)
Meter Supplies	4,500	4,034	466
Meter Systems - Software	3,550	3,924	(374)
Program Materials	1,000	1,034	(34)
Meter Handhelds Replacement	3,000	3,343	(343)
	<u>99,353</u>	<u>91,433</u>	<u>7,920</u>
Total Meters			
Police Department:			
Regular Salaries	1,372,328	1,316,748	55,580
COPS Grant	122,416	117,037	5,379
Overtime	251,400	248,816	2,584
Incentive Pay	4,500	0	4,500
Training Payroll	20,000	50,960	(30,960)
Part-Time Employees	7,500	6,176	1,324
FICA	134,452	126,234	8,218
Professional Services - Legal	1,000	1,300	(300)
Consultant Fees	500	0	500
Training and Development	8,000	9,040	(1,040)
Travel and Meals	1,500	1,484	16
Telephone	1,500	3,685	(2,185)
Computer Access	10,000	19,131	(9,131)
Office Machines Maintenance	13,615	5,624	7,991
Advertising	200	200	0
Lock-Up Meals	3,000	1,287	1,713
Physicals	500	0	500
Pagers	9,000	9,342	(342)
Car Maintenance	27,500	28,227	(727)
Taser Assurance Program	4,176	4,176	0
Taser Cartridges	2,500	0	2,500
Radio Repair	500	3,372	(2,872)
Bolawrap Cartridge/Battery Replacements	1,000	0	1,000
Vehicle Fuel	27,500	26,688	812
Clothing	8,000	9,851	(1,851)

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Police Department/(Cont'd):			
Equipment - Safety	\$ 11,500	\$ 12,910	\$ (1,410)
Ammunition	10,000	9,981	19
Footwear	3,150	2,309	841
Glasses	3,330	1,175	2,155
Dry Cleaning	5,000	4,000	1,000
PD Security Equipment	2,000	1,760	240
Office Supplies	4,500	6,047	(1,547)
Training Supplies	1,000	2,708	(1,708)
Juvenile Program	500	0	500
K-9 Program	3,500	1,765	1,735
Investigations Materials	4,000	5,903	(1,903)
Lock-Up Materials	3,500	2,054	1,446
Computer Equipment/Software	5,000	7,859	(2,859)
<b>Total Police Department</b>	<b>2,089,567</b>	<b>2,047,849</b>	<b>41,718</b>
Dispatch Services:			
Regular Salaries	371,222	375,309	(4,087)
Overtime	72,101	93,338	(21,237)
Training Payroll	5,000	538	4,462
Part-time Dispatchers	35,894	43,489	(7,595)
FICA	37,043	38,019	(976)
Training/Development	2,000	1,792	208
Travel/Meals	1,000	449	551
Telephone	4,500	9,820	(5,320)
Computer Access	9,000	13,305	(4,305)
Office Machine Maintenance	1,000	2,100	(1,100)
Radio Maintenance	3,000	2,043	957
Glasses	1,110	2,087	(977)
Tower Rental Fee	2,475	370	2,105
Office Supplies/Equipment	2,000	1,544	456
Dispatch Center Console Maintenance	25,000	25,000	0
Computers	2,500	1,485	1,015
<b>Total Dispatch Services</b>	<b>574,845</b>	<b>610,688</b>	<b>(35,843)</b>
Street Lighting:			
Electricity	150,000	156,652	(6,652)
Pedway/Keith Ave Lot Lighting	1,500	1,965	(465)
<b>Total Street Lighting</b>	<b>151,500</b>	<b>158,617</b>	<b>(7,117)</b>
Traffic Control:			
Traffic Light Electricity	8,000	6,383	1,617
Traffic Light Maintenance	20,000	34,138	(14,138)
<b>Total Traffic Control</b>	<b>28,000</b>	<b>40,521</b>	<b>(12,521)</b>

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Aldrich Library:	\$ 239,292	\$ 239,292	\$ 0
Facilities:			
Personnel Services	71,545	78,045	(6,500)
FICA	5,473	5,751	(278)
Electricity - 135N Main	1,000	793	207
Electricity - Pool	1,500	5,483	(3,983)
Water Bills	10,000	7,579	2,421
Car/Truck Maintenance	1,500	6,503	(5,003)
Field Maintenance	6,000	7,445	(1,445)
Pool and Building Maintenance	7,500	15,932	(8,432)
Fuel - 135N Main	3,100	5,406	(2,306)
Vehicle Fuel	4,495	5,081	(586)
Clothing	625	747	(122)
Footwear	200	0	200
Glasses	190	565	(375)
Office Supplies	800	320	480
COVID-19 Materials	0	1,301	(1,301)
Equipment Outlay	1,500	2,602	(1,102)
Total Facilities	<u>115,428</u>	<u>143,553</u>	<u>(28,125)</u>
Auditorium:			
Personnel Services	97,652	92,702	4,950
Overtime	500	1,335	(835)
FICA	7,509	8,011	(502)
Electricity	10,100	9,871	229
Solar Project	23,382	14,922	8,460
Rubbish Removal	7,000	6,109	891
Telephone	2,750	2,167	583
Water Bills	3,000	3,257	(257)
IT	3,900	7,792	(3,892)
Building and Grounds Maintenance	17,000	25,857	(8,857)
Annex Maintenance	6,000	28,864	(22,864)
Fuel Oil	22,880	52,648	(29,768)
Bottled Gas	4,373	5,505	(1,132)
Clothing	2,540	2,020	520
Footwear	400	434	(34)
Glasses	400	0	400
Custodial Supplies	4,000	5,450	(1,450)
Machines/Equipment Outlay	2,000	3,144	(1,144)
Total Auditorium	<u>215,386</u>	<u>270,088</u>	<u>(54,702)</u>

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	Budget	Actual	Variance Favorable/ (Unfavorable)
<b>BOR:</b>			
Personnel Services	\$ 89,461	\$ 92,619	\$ (3,158)
Overtime	2,000	3,811	(1,811)
FICA	6,997	7,489	(492)
Electricity	29,666	19,898	9,768
Solar Project	35,073	22,385	12,688
Telephone	750	288	462
Water Bills	13,800	14,626	(826)
Building/Grounds Maintenance	22,000	49,693	(27,693)
Bottled Gas	15,840	13,100	2,740
Clothing	2,290	3,539	(1,249)
Footwear	400	0	400
Glasses	400	0	400
Custodial Supplies	2,000	2,554	(554)
Computer	3,700	4,045	(345)
Supplies/Equipment	12,000	9,535	2,465
<b>Total BOR</b>	<b>236,377</b>	<b>243,582</b>	<b>(7,205)</b>
<b>Public Safety Building:</b>			
Personnel Services	44,931	32,792	12,139
Overtime	1,000	264	736
FICA	3,514	2,516	998
Electricity	21,417	15,245	6,172
Solar Project	20,133	18,461	1,672
Rubbish Removal	3,500	4,664	(1,164)
Water Bills	3,950	4,880	(930)
Buildings and Grounds Maintenance	30,000	71,187	(41,187)
Fuel Oil	650	633	17
Bottled Gas	26,128	27,106	(978)
Clothing	575	817	(242)
Footwear	100	85	15
Glasses	95	95	0
Custodial Supplies	5,000	4,017	983
<b>Total Public Safety Building</b>	<b>160,993</b>	<b>182,762</b>	<b>(21,769)</b>

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	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Recreation:			
Personnel Services	\$ 70,657	\$ 76,983	\$ (6,326)
Skateguard Personnel	3,000	1,351	1,649
Pool Personnel	26,750	26,816	(66)
FICA	7,681	7,440	241
Training and Development	750	405	345
Travel and Meals	300	85	215
Telephone	1,300	833	467
Dues, Memberships and Fees	400	280	120
Advertising/Printing	500	275	225
Municipal Pool Supplies/Equipment	1,200	246	954
Playground Maintenance	0	2,150	(2,150)
Tennis Court Equipment	500	526	(26)
Glasses	190	180	10
Office Supplies	500	1,035	(535)
Recreation Supplies	2,000	1,298	702
Recreation Programs	2,500	1,211	1,289
	<u>118,228</u>	<u>121,114</u>	<u>(2,886)</u>
Total Recreation			
Sanitary Landfill:			
CVSWD Assessment	8,491	8,491	0
	<u>8,491</u>	<u>8,491</u>	<u>0</u>
Total Sanitary Landfill			
Engineering:			
Personnel Services	280,832	207,385	73,447
Overtime	12,500	8,274	4,226
FICA	22,441	16,297	6,144
Professional Services	0	494	(494)
Training and Development	3,500	0	3,500
Travel and Meals	700	49	651
Telephone	2,300	1,764	536
Office Machines Maintenance	500	114	386
Advertising	0	373	(373)
Engineering Equipment	4,500	219	4,281
Vehicle Reimbursement	1,600	1,073	527
Radio Maintenance	750	629	121
Clothing	500	0	500
Footwear	430	190	240
Glasses	565	0	565
Office Supplies/Equipment	1,500	2,290	(790)
Computer Equipment/Software	1,500	2,974	(1,474)
	<u>334,118</u>	<u>242,125</u>	<u>91,993</u>
Total Engineering			

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Permitting, Planning and Inspections:			
Personnel Services	\$ 169,930	\$ 97,981	\$ 71,949
Overtime	1,000	0	1,000
Contracted Services	10,000	0	10,000
FICA	13,076	7,056	6,020
Professional Services	15,000	0	15,000
Training and Development	1,500	68	1,432
Travel and Meals	250	0	250
Telephone	3,200	1,149	2,051
Dues and Memberships	250	80	170
Advertising and Printing	2,000	1,387	613
Glasses	380	743	(363)
Supplies and Equipment	1,500	1,323	177
Computer Equipment/Software	7,500	6,669	831
Total Permitting, Planning and Inspections	<u>225,586</u>	<u>116,456</u>	<u>109,130</u>
Community Development:			
Barre Partnership	67,626	67,626	0
Barre Area Development	52,779	52,779	0
Main Street Maintenance	1,200	1,096	104
Total Community Development	<u>121,605</u>	<u>121,501</u>	<u>104</u>
Public Parks and Trees - Maintenance:			
Electricity - Currier	900	798	102
Public Parks Tree Maintenance	15,000	9,295	5,705
Total Public Parks and Trees - Maintenance	<u>15,900</u>	<u>10,093</u>	<u>5,807</u>
Street Department - Public Works:			
Personnel Services	693,930	565,184	128,746
Overtime	1,750	39,935	(38,185)
FICA	53,220	45,154	8,066
Claims/Deductibles	2,000	1,619	381
Consultant Services	5,000	2,633	2,367
Storm Water Permit	7,500	4,130	3,370
Training/Development	4,500	4,276	224
Travel and Meals	250	2	248
Electricity	10,000	8,948	1,052
Rubbish Removal	5,000	5,402	(402)
Telephone	2,500	2,300	200
Equipment Rental - Snow	1,500	1,850	(350)
Equipment Rental - Streets	7,500	3,853	3,647
Advertising/Printing	1,000	648	352
Snow Damage - Vehicles	2,000	0	2,000
Snow Damage - Plows	2,500	1,171	1,329
Barricades - Lights	1,000	0	1,000
Culverts - Surface Sewer	3,500	0	3,500

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Street Department - Public Works/(Cont'd):			
Guardrails	\$ 5,000	\$ 5,380	\$ (380)
Tiles and Grates - Surface Sewer	10,000	0	10,000
Radio Maintenance	1,000	2,370	(1,370)
Building and Grounds Maintenance	7,500	13,046	(5,546)
Equipment Maintenance - Streets	40,000	40,157	(157)
Snow Equipment Maintenance	15,000	43,206	(28,206)
Truck Maintenance - Streets	73,500	95,583	(22,083)
Street Painting	7,500	6,198	1,302
Yard Waste	2,200	100	2,100
Roadside Mowing	6,000	0	6,000
Tire Disposal Event	5,000	3,589	1,411
Bulk Waste Removal Fees	17,500	4,002	13,498
Fuel Oil - Garage	21,632	26,080	(4,448)
Vehicle Fuel	74,500	88,707	(14,207)
Bottled Gas	250	987	(737)
Vehicle Grease/Oil	4,000	1,080	2,920
Clothing	12,000	16,263	(4,263)
Equipment - Safety	2,000	1,897	103
Physical Exams	540	0	540
Footwear	2,720	2,875	(155)
Glasses	2,700	225	2,475
Office Expense	500	439	61
Small Tools	2,500	3,935	(1,435)
Supplies - Garage	15,000	25,220	(10,220)
Supplies - Sidewalks	15,000	5,496	9,504
Supplies - NSC	3,000	165	2,835
Supplies - Surface Sewer	12,000	17,695	(5,695)
Supplies - Streets	7,500	4,162	3,338
Supplies - Snow Removal	5,000	33	4,967
Asphalt - Sidewalks	2,000	0	2,000
Bituminous Hot Mix - Streets	12,500	13,603	(1,103)
Bituminous Hot Mix - Surface Sewer	1,500	1,163	337
Concrete - SW	2,500	1,540	960
Gravel - Streets	500	0	500
Kold Patch - Streets	5,000	5,721	(721)
Salt	180,000	137,245	42,755
Sand	6,000	13,302	(7,302)
Street Signs	5,000	8,560	(3,560)
Street Light Maintenance	250	2,061	(1,811)
State AOT Projects - Local Share	0	334	(334)
Computer Equipment/Software	4,100	3,517	583
	<u>1,395,042</u>	<u>1,283,041</u>	<u>112,001</u>
Total Street Department - Public Works	<u>1,395,042</u>	<u>1,283,041</u>	<u>112,001</u>

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Cemetery:			
Personnel Services	\$ 112,634	\$ 138,781	\$ (26,147)
Overtime	1,000	1,109	(109)
FICA	8,693	10,702	(2,009)
Travel/Meals	100	0	100
Telephone	1,250	1,414	(164)
Electricity - Office	600	640	(40)
Veterans Flags	2,560	2,464	96
Car/Truck Maintenance	1,200	2,213	(1,013)
Building Maintenance - Hope	1,500	1,986	(486)
Mausoleum Maintenance	1,500	1,500	0
Building/Ground Maintenance - Elmwood	2,500	5,444	(2,944)
Contracted Services	0	400	(400)
Hope Maintenance	5,000	2,039	2,961
St Monica Maintenance	1,000	147	853
Grounds & Buildings	1,750	1,181	569
Equipment Maintenance	2,000	4,821	(2,821)
Fuel Oil - Office	500	1,348	(848)
Vehicle Fuel	3,750	6,411	(2,661)
Clothing	1,000	1,524	(524)
Equipment - Safety	200	108	92
Footwear	200	0	200
Glasses	190	0	190
Office Supplies/Equipment	500	2	498
Small Tools	500	18	482
Cemetery Trust	5,500	4,710	790
Foundations	3,000	5,129	(2,129)
Machine/Equipment	5,000	1,496	3,504
	<u>163,627</u>	<u>195,587</u>	<u>(31,960)</u>
Total Cemetery			
	<u>163,627</u>	<u>195,587</u>	<u>(31,960)</u>
Transfers:			
Transfer to Capital Improvement Fund	0	233,139	(233,139)
	<u>0</u>	<u>233,139</u>	<u>(233,139)</u>
Total Transfers			
	<u>0</u>	<u>233,139</u>	<u>(233,139)</u>
Insurance:			
Health Insurance	1,281,037	1,048,207	232,830
Life Insurance	50,459	40,040	10,419
Dental Insurance	37,345	31,038	6,307
	<u>1,368,841</u>	<u>1,119,285</u>	<u>249,556</u>
Total Insurance			
	<u>1,368,841</u>	<u>1,119,285</u>	<u>249,556</u>
City Pension Plan:			
City Pension Plan	483,730	509,353	(25,623)
Consultant Services	3,000	2,420	580
	<u>486,730</u>	<u>511,773</u>	<u>(25,043)</u>
Total City Pension Plan			
	<u>486,730</u>	<u>511,773</u>	<u>(25,043)</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, 2023

	Budget	Actual	Variance Favorable/ (Unfavorable)
Debt Service:			
Principal Payments	\$ 593,079	\$ 735,020	\$ (141,941)
Interest Expense	<u>155,429</u>	<u>157,892</u>	<u>(2,463)</u>
Total Debt Service	<u>748,508</u>	<u>892,912</u>	<u>(144,404)</u>
General Insurance:			
Worker's Compensation	581,221	455,199	126,022
Unemployment Insurance	27,500	23,192	4,308
Property and Casualty	<u>210,000</u>	<u>239,633</u>	<u>(29,633)</u>
Total General Insurance	<u>818,721</u>	<u>718,024</u>	<u>100,697</u>
Washington County Tax:	<u>40,419</u>	<u>40,419</u>	<u>0</u>
Voter Approved Assistance:	<u>149,601</u>	<u>149,611</u>	<u>(10)</u>
VT Public Safety Authority:	<u>15,900</u>	<u>15,900</u>	<u>0</u>
Special Projects:			
Special Projects - FICA	2,192	2,554	(362)
Special Projects - Custodial	6,650	6,466	184
Special Projects - Fire	7,000	7,661	(661)
Special Projects - Police	<u>15,000</u>	<u>20,130</u>	<u>(5,130)</u>
Total Special Projects	<u>30,842</u>	<u>36,811</u>	<u>(5,969)</u>
Miscellaneous Expenses:			
Granite Museum Parking Lot	16,444	16,842	(398)
Barre Energy Committee	500	0	500
City Committee Funding	2,500	333	2,167
Front Porch Forum Support	250	250	0
Bank Fees/Miscellaneous Expenses	5,000	2,760	2,240
BCJC Stipend	7,140	7,140	0
Semprebon VCF Trust Projects	50,000	62,197	(12,197)
Wellness Initiatives	0	506	(506)
Non-Billable Special Projects - Personnel	0	4,160	(4,160)
Non-Billable Special Projects - Expense	<u>0</u>	<u>1,098</u>	<u>(1,098)</u>
Total Miscellaneous Expenses	<u>81,834</u>	<u>95,286</u>	<u>(13,452)</u>
Total Expenditures	<u>13,344,159</u>	<u>13,281,269</u>	<u>62,890</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>\$ (50,000)</u>	(109,929)	<u>\$ (59,929)</u>
Fund Balance - July 1, 2022		<u>1,218,859</u>	
Fund Balance - June 30, 2023		<u>\$ 1,108,930</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, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Plan Net Pension Liability	\$ 303,371,956	\$ 147,184,198	\$ 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	1.9151%	2.0050%	1.9317%	2.0460%	2.0260%	2.1746%	2.1660%	2.0470%	2.1321%
City's Proportionate Share of the Net Pension Liability	\$ 5,809,772	\$ 2,951,037	\$ 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	\$ 6,604,554	\$ 6,364,720	\$ 5,886,247	\$ 5,895,306	\$ 5,427,897	\$ 5,407,251	\$ 5,023,450	\$ 4,477,325	\$ 4,485,606
City's Proportionate Share of the Net Pension Liability as a Percentage of City's Covered Employee Payroll	87.9662%	46.3655%	83.0169%	60.2126%	52.5074%	48.7238%	55.4900%	35.2481%	4.3380%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.60%	86.29%	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: None.

Changes in Plan Provisions: At the November 17, 2020 Board meeting, the Board voted unanimously to authorize employer contribution rate increases of 0.50% each year for a period of four years, beginning July 1, 2022. In 2022, the Legislature passed H.740, which effectively split the Board-authorized increases evenly between members and employers by including an increase in the employee rate of 0.25% for each group for four years, beginning July 1, 2022.

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

CITY OF BARRE, VERMONT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CONTRIBUTIONS  
 VMERS DEFINED BENEFIT PLAN  
 FOR THE YEAR ENDED JUNE 30, 2023

	<u>2023</u>	<u>2022</u>	<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)	\$ 512,088	\$ 479,149	\$ 445,778	\$ 400,343	\$ 442,236	\$ 406,810	\$ 355,127	\$ 329,193	\$ 286,143
Contributions in Relation to the Actuarially Determined Contributions	<u>512,088</u>	<u>479,149</u>	<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>								
City's Covered Employee Payroll	\$ 6,803,835	\$ 6,604,554	\$ 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	7.526%	7.255%	7.004%	6.801%	7.501%	7.495%	6.568%	6.553%	6.391%

**Notes to Schedule**

Valuation Date: June 30, 2022

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

CITY OF BARRE, VERMONT  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2023

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery Trust Fund	Total
<u>ASSETS</u>				
Cash	\$ 367,063	\$ 260,065	\$ 6,492	\$ 633,620
Investments	452,382	0	1,074,060	1,526,442
Due from Other Funds	18,680	28,134	0	46,814
Total Assets	\$ 838,125	\$ 288,199	\$ 1,080,552	\$ 2,206,876
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Due to Other Funds	\$ 166,789	\$ 14,696	\$ 25,469	\$ 206,954
Total Liabilities	166,789	14,696	25,469	206,954
Fund Balances:				
Nonspendable	0	0	827,411	827,411
Restricted	652,656	253,575	227,672	1,133,903
Assigned	18,680	19,928	0	38,608
Total Fund Balances	671,336	273,503	1,055,083	1,999,922
Total Liabilities and Fund Balances	\$ 838,125	\$ 288,199	\$ 1,080,552	\$ 2,206,876

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CITY OF BARRE, VERMONT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery Trust Fund	Total
<b>Revenues:</b>				
Property Taxes	\$ 0	\$ 280,845	\$ 0	\$ 280,845
Intergovernmental	1,010,544	0	0	1,010,544
Charges for Services	0	0	3,518	3,518
Investment Income	15,322	490	55,720	71,532
Donations	4,375	0	0	4,375
<b>Total Revenues</b>	<u>1,030,241</u>	<u>281,335</u>	<u>59,238</u>	<u>1,370,814</u>
<b>Expenditures:</b>				
General Government	0	3,209	0	3,209
Public Safety	20,040	0	0	20,040
Culture and Recreation	15,656	3,706	0	19,362
Community Development	1,000,000	0	0	1,000,000
Capital Outlay:				
Culture and Recreation	8,750	0	0	8,750
Debt Service:				
Principal	0	88,000	0	88,000
Interest	0	60,201	0	60,201
<b>Total Expenditures</b>	<u>1,044,446</u>	<u>155,116</u>	<u>0</u>	<u>1,199,562</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>(14,205)</u>	<u>126,219</u>	<u>59,238</u>	<u>171,252</u>
<b>Other Financing Sources/(Uses):</b>				
Transfers In	62,197	5,000	0	67,197
Transfers Out	(15,000)	0	(25,500)	(40,500)
<b>Total Other Financing Sources/(Uses)</b>	<u>47,197</u>	<u>5,000</u>	<u>(25,500)</u>	<u>26,697</u>
Net Change in Fund Balances	32,992	131,219	33,738	197,949
Fund Balances - July 1, 2022	<u>638,344</u>	<u>142,284</u>	<u>1,021,345</u>	<u>1,801,973</u>
Fund Balances - June 30, 2023	<u>\$ 671,336</u>	<u>\$ 273,503</u>	<u>\$ 1,055,083</u>	<u>\$ 1,999,922</u>

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CITY OF BARRE, VERMONT  
 COMBINING BALANCE SHEET  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2023

	Community Development Fund	Drug Forfeiture Fund	Special Recreation Programs Fund	Semprebon Fund	Total
<u>ASSETS</u>					
Cash	\$ 2,839	\$ 45,619	\$ 0	\$ 318,605	\$ 367,063
Investments	0	22,263	0	430,119	452,382
Due from Other Funds	<u>0</u>	<u>0</u>	<u>18,680</u>	<u>0</u>	<u>18,680</u>
Total Assets	<u>\$ 2,839</u>	<u>\$ 67,882</u>	<u>\$ 18,680</u>	<u>\$ 748,724</u>	<u>\$ 838,125</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Due to Other Funds	\$ <u>0</u>	\$ <u>18,248</u>	\$ <u>0</u>	\$ <u>148,541</u>	\$ <u>166,789</u>
Total Liabilities	<u>0</u>	<u>18,248</u>	<u>0</u>	<u>148,541</u>	<u>166,789</u>
Fund Balances:					
Restricted	2,839	49,634	0	600,183	652,656
Assigned	<u>0</u>	<u>0</u>	<u>18,680</u>	<u>0</u>	<u>18,680</u>
Total Fund Balances	<u>2,839</u>	<u>49,634</u>	<u>18,680</u>	<u>600,183</u>	<u>671,336</u>
Total Liabilities and Fund Balances	<u>\$ 2,839</u>	<u>\$ 67,882</u>	<u>\$ 18,680</u>	<u>\$ 748,724</u>	<u>\$ 838,125</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, 2023

	Community Development Fund	Drug Forfeiture Fund	Special Recreation Programs Fund	Semprebon Fund	Total
<b>Revenues:</b>					
Intergovernmental	\$ 1,000,000	\$ 10,544	\$ 0	\$ 0	\$ 1,010,544
Investment Income	0	1,206	0	14,116	15,322
Donations	0	0	4,375	0	4,375
<b>Total Revenues</b>	<u>1,000,000</u>	<u>11,750</u>	<u>4,375</u>	<u>14,116</u>	<u>1,030,241</u>
<b>Expenditures:</b>					
Public Safety	0	20,040	0	0	20,040
Culture and Recreation	0	0	0	15,656	15,656
Community Development	1,000,000	0	0	0	1,000,000
Capital Outlay:					
Culture and Recreation	0	0	8,750	0	8,750
<b>Total Expenditures</b>	<u>1,000,000</u>	<u>20,040</u>	<u>8,750</u>	<u>15,656</u>	<u>1,044,446</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(8,290)</u>	<u>(4,375)</u>	<u>(1,540)</u>	<u>(14,205)</u>
<b>Other Financing Sources/(Uses):</b>					
Transfers In	0	0	0	62,197	62,197
Transfers Out	0	0	0	(15,000)	(15,000)
<b>Total Other Financing Sources/(Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>47,197</u>	<u>47,197</u>
Net Change in Fund Balances	0	(8,290)	(4,375)	45,657	32,992
Fund Balances - July 1, 2022	<u>2,839</u>	<u>57,924</u>	<u>23,055</u>	<u>554,526</u>	<u>638,344</u>
Fund Balances - June 30, 2023	<u>\$ 2,839</u>	<u>\$ 49,634</u>	<u>\$ 18,680</u>	<u>\$ 600,183</u>	<u>\$ 671,336</u>

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CITY OF BARRE, VERMONT  
 COMBINING BALANCE SHEET  
 NON-MAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2023

	Shade Tree Improvement Fund	TIF Fund	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 260,065	\$ 260,065
Due from Other Funds	28,134	0	28,134
Total Assets	\$ 28,134	\$ 260,065	\$ 288,199
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Due to Other Funds	\$ 0	\$ 14,696	\$ 14,696
Total Liabilities	0	14,696	14,696
Fund Balances:			
Restricted	8,206	245,369	253,575
Assigned	19,928	0	19,928
Total Fund Balances	28,134	245,369	273,503
Total Liabilities and Fund Balances	\$ 28,134	\$ 260,065	\$ 288,199

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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, 2023

	Shade Tree Improvement Fund	TIF Fund	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Revenues:			
Property Taxes	\$ 0	\$ 280,845	\$ 280,845
Investment Income	0	490	490
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Revenues	0	281,335	281,335
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Expenditures:			
General Government	0	3,209	3,209
Culture and Recreation	3,706	0	3,706
Debt Service:			
Principal	0	88,000	88,000
Interest	0	60,201	60,201
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Expenditures	3,706	151,410	155,116
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Excess/(Deficiency) of Revenues Over Expenditures	(3,706)	129,925	126,219
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Other Financing Sources:			
Transfers In	5,000	0	5,000
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Other Financing Sources	5,000	0	5,000
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net Change in Fund Balances	1,294	129,925	131,219
Fund Balances - July 1, 2022	26,840	115,444	142,284
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Fund Balances - June 30, 2023	\$ 28,134	\$ 245,369	\$ 273,503
	<u>                    </u>	<u>                    </u>	<u>                    </u>

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CITY OF BARRE, VERMONT  
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION  
 PRIVATE-PURPOSE TRUST FUNDS  
 JUNE 30, 2023

	Keith Fund	Brusa Fund	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 0	\$ 85,932	\$ 85,932
Investments	17,443	0	17,443
Total Assets	\$ 17,443	\$ 85,932	\$ 103,375
<u>LIABILITIES AND NET POSITION</u>			
Liabilities:	\$ 0	\$ 0	\$ 0
Net Position:			
Restricted:			
Held in Trust for Other Purposes	17,443	85,932	103,375
Total Net Position	17,443	85,932	103,375
Total Liabilities and Net Position	\$ 17,443	\$ 85,932	\$ 103,375

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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, 2023

	Keith Fund	Brusa Fund	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Additions:			
Investment Income	\$ <u>        62</u>	\$ <u>        56</u>	\$ <u>       118</u>
Total Additions	<u>          62</u>	<u>          56</u>	<u>         118</u>
Deductions:			
Miscellaneous	<u>          0</u>	<u>       5,000</u>	<u>       5,000</u>
Total Deductions	<u>          0</u>	<u>       5,000</u>	<u>       5,000</u>
Change in Net Position	62	(4,944)	(4,882)
Net Position - July 1, 2022	<u>      17,381</u>	<u>      90,876</u>	<u>     108,257</u>
Net Position - June 30, 2023	\$ <u><u>     17,443</u></u>	\$ <u><u>     85,932</u></u>	\$ <u><u>    103,375</u></u>

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CITY OF BARRE, VERMONT  
 COMBINING BALANCE SHEET  
 SPECIAL FUND  
 JUNE 30, 2023

	Reappraisal Fund	Donation Fund	ARPA Fund	Opioid Settlement Fund	Richard Russell Fund	Special Fund	Total
<b>ASSETS</b>							
Cash	\$ 0	\$ 0	\$ 2,521,823	\$ 0	\$ 4,082	\$ 0	\$ 2,525,905
Investments	0	0	0	0	51,841	0	51,841
Receivables	0	0	0	0	0	254,267	254,267
Due from Other Funds	<u>445,952</u>	<u>21,731</u>	<u>0</u>	<u>43,840</u>	<u>0</u>	<u>164,496</u>	<u>676,019</u>
Total Assets	\$ <u>445,952</u>	\$ <u>21,731</u>	\$ <u>2,521,823</u>	\$ <u>43,840</u>	\$ <u>55,923</u>	\$ <u>418,763</u>	\$ <u>3,508,032</u>
<b>LIABILITIES</b>							
Accounts Payable	\$ 4,158	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,829	\$ 11,987
Accrued Payroll and Benefits Payable	0	0	0	0	0	619	619
Unearned Revenue	<u>0</u>	<u>0</u>	<u>2,499,895</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,499,895</u>
Total Liabilities	<u>4,158</u>	<u>0</u>	<u>2,499,895</u>	<u>0</u>	<u>0</u>	<u>8,448</u>	<u>2,512,501</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Grants	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>246,220</u>	<u>246,220</u>
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>246,220</u>	<u>246,220</u>
<b>FUND BALANCES</b>							
Restricted	0	17,905	0	43,840	0	289,684	351,429
Assigned	<u>441,794</u>	<u>3,826</u>	<u>21,928</u>	<u>0</u>	<u>55,923</u>	<u>(125,589)</u>	<u>397,882</u>
Total Fund Balances	<u>441,794</u>	<u>21,731</u>	<u>21,928</u>	<u>43,840</u>	<u>55,923</u>	<u>164,095</u>	<u>749,311</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>445,952</u>	\$ <u>21,731</u>	\$ <u>2,521,823</u>	\$ <u>43,840</u>	\$ <u>55,923</u>	\$ <u>418,763</u>	\$ <u>3,508,032</u>

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CITY OF BARRE, VERMONT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 SPECIAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2023

	Reappraisal Fund	Donation Fund	ARPA Fund	Opioid Settlement Fund	Richard Russell Fund	Special Fund	Total
<b>Revenues:</b>							
Intergovernmental	\$ 28,535	\$ 0	\$ 8,739	\$ 0	\$ 0	\$ 131,461	\$ 168,735
Permits, Licenses and Fees	0	0	0	0	0	23,260	23,260
Investment Income	0	0	20,286	0	4,789	0	25,075
Donations	0	1,835	0	0	51,134	55,623	108,592
Opioids Settlement	<u>0</u>	<u>0</u>	<u>0</u>	<u>43,840</u>	<u>0</u>	<u>0</u>	<u>43,840</u>
Total Revenues	<u>28,535</u>	<u>1,835</u>	<u>29,025</u>	<u>43,840</u>	<u>55,923</u>	<u>210,344</u>	<u>369,502</u>
<b>Expenditures:</b>							
General Government	6,798	0	5,000	0	0	0	11,798
Public Safety	0	0	0	0	0	159,660	159,660
Public Works	0	0	0	0	0	5,715	5,715
Culture and Recreation	0	1,344	3,739	0	0	29,477	34,560
Capital Outlay:							
Public Safety	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,760</u>	<u>7,760</u>
Total Expenditures	<u>6,798</u>	<u>1,344</u>	<u>8,739</u>	<u>0</u>	<u>0</u>	<u>202,612</u>	<u>219,493</u>
Excess of Revenues							
Over Expenditures	<u>21,737</u>	<u>491</u>	<u>20,286</u>	<u>43,840</u>	<u>55,923</u>	<u>7,732</u>	<u>150,009</u>
<b>Other Financing Sources:</b>							
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,000</u>	<u>10,000</u>
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,000</u>	<u>10,000</u>
Net Change in Fund Balances	21,737	491	20,286	43,840	55,923	17,732	160,009
Fund Balances - July 1, 2022	<u>420,057</u>	<u>21,240</u>	<u>1,642</u>	<u>0</u>	<u>0</u>	<u>146,363</u>	<u>589,302</u>
Fund Balances - June 30, 2023	<u>\$ 441,794</u>	<u>\$ 21,731</u>	<u>\$ 21,928</u>	<u>\$ 43,840</u>	<u>\$ 55,923</u>	<u>\$ 164,095</u>	<u>\$ 749,311</u>

See Disclaimer in Accompanying Independent Auditor's Report.

CITY OF BARRE, VERMONT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Pass through to Subrecipients	Total Federal Expenditures
<u>U.S. Department of Education</u>				
Passed Through Vermont Afterschool, Inc.				
COVID-19 Education Stabilization Fund	84.425D		\$ <u>0</u>	\$ <u>31,526</u>
Total U.S. Department of Education			<u>0</u>	<u>31,526</u>
<u>U.S. Department of Housing and Urban Development</u>				
Passed through the Vermont Agency of Commerce and Community Development				
Community Development Block Grant	14.228	07110-IG-2020-Barre C-51	<u>1,000,000</u>	<u>1,000,000</u>
Total U.S. Department of Housing and Urban Development			<u>1,000,000</u>	<u>1,000,000</u>
<u>U.S. Department of Justice</u>				
Passed through State of Vermont VT Center for Crime Victim Services				
Violence Against Women Formula Grants	16.588	02160-STOP22-4053005-202	<u>0</u>	<u>30,423</u>
Direct Programs				
Bulletproof Vest Partnership Program	16.607	N/A	<u>0</u>	<u>2,503</u>
Public Safety Partnership and Community Policing	16.710	N/A	<u>0</u>	<u>140,048</u>
Total Direct Program			<u>0</u>	<u>142,551</u>
Total U.S. Department Of Justice			<u>0</u>	<u>172,974</u>
<u>U.S. Environmental Protection Agency</u>				
Passed through the State of Vermont Department of Environmental Conservation				
Clean Water State Revolving Fund Cluster:				
Capitalization Grants for Clean Water State Revolving Funds	66.458	06140-RF3-439-1.0	<u>0</u>	<u>12,500</u>
Total U.S. Environmental Protection Agency			<u>0</u>	<u>12,500</u>
<u>U.S. Department of Homeland Security</u>				
Passed through State of Vermont Department of Public Safety				
Homeland Security Grant Program	97.067	02140-7H22131-104	<u>0</u>	<u>107,523</u>
Total U.S. Department of Homeland Security			<u>0</u>	<u>107,523</u>

See Accompanying Independent Auditor's Report.

CITY OF BARRE, VERMONT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Pass through to Subrecipients	Total Federal Expenditures
<u>U.S. Department of Transportation</u>				
Passed Through State of Vermont Agency of Transportation				
Highway Safety Cluster:				
State and Community Highway Safety - Occupant Protection	20.600	GR1607	\$ 0	\$ 7,180
State and Community Highway Safety - Occupant Protection	20.600	GR1699	0	4,960
National Priority Safety Program - Equipment Support	20.616	GR1607	0	4,590
National Priority Safety Program - Equipment Support	20.616	GR1699	0	0
National Priority Safety Program - Distracted Driving	20.616	GR1598	0	4,411
National Priority Safety Program - Distracted Driving	20.616	GR1698	0	2,835
Total Highway Safety Cluster			0	23,976
Minimum Penalties for Repeat Offenders Driving While Intoxicated	20.608	GR1607	0	6,599
Minimum Penalties for Repeat Offenders Driving While Intoxicated	20.608	GR1699	0	3,906
Total U.S. Department of Transportation			0	34,481
<u>U.S. Department of Treasury</u>				
Direct Programs				
Equitable Sharing Program	21.016	N/A	0	\$ 20,040
Total U.S. Department of Treasury			0	20,040
Total			\$ 1,000,000	\$ 1,379,044

**Note A - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Barre, Vermont under programs of the federal government for year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Barre, Vermont, it is not intended to and does not present the financial position, changes in net position or cash flows.

**Note B - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City of Barre, Vermont has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

See Accompanying Independent Auditor's Report.

# Sullivan, Powers & Co., P.C.

Certified Public Accountants

77 Barre Street  
P.O. Box 947  
Montpelier, VT 05601  
802/223-2352  
[www.sullivanpowers.com](http://www.sullivanpowers.com)

Richard J. Brigham, CPA  
Chad A. Hewitt, CPA  
Jordon M. Plummer, CPA  
VT Lic. #92-000180

Independent Auditor’s Report on Internal Control Over Financial  
Reporting and on Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in Accordance with  
“Government Auditing Standards”

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in “Government Auditing Standards”, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Barre, Vermont as of and for the year ended June 30, 2023, 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 February 20, 2024.

***Report on 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) 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. 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.

### ***Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under "Government Auditing Standards".

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

*Sullivan, Powers & Co.*

February 20, 2024  
Montpelier, Vermont  
VT Lic. #92-000180

# Sullivan, Powers & Co., P.C.

Certified Public Accountants

77 Barre Street  
P.O. Box 947  
Montpelier, VT 05601  
802/223-2352  
[www.sullivanpowers.com](http://www.sullivanpowers.com)

Richard J. Brigham, CPA  
Chad A. Hewitt, CPA  
Jordon M. Plummer, CPA  
VT Lic. #92-000180

## Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

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

### ***Report on Compliance for Each Major Federal Program***

#### ***Opinion on Each Major Federal Program***

We have audited the City of Barre, Vermont's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) "Compliance Supplement" that could have a direct and material effect on each of the City of Barre, Vermont's major federal programs for the year ended June 30, 2023. The City of Barre, Vermont's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Deficiencies in Internal Control.

In our opinion, the City of Barre, Vermont complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. "Code of Federal Regulations" Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Barre, Vermont and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Barre, Vermont's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Barre, Vermont's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to previously occurred, whether due to fraud or error, and express an opinion on the City of Barre, Vermont's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, "Government Auditing Standards", and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to previously is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City of Barre, Vermont's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, "Government Auditing Standards", and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Barre, Vermont's compliance with the compliance requirements referred to previously and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Barre, Vermont's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Barre, Vermont's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

***Report on Internal Control Over Compliance***

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined previously. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*Sullivan, Powers & Co.*

February 20, 2024  
Montpelier, Vermont  
VT Lic. #92-000180

CITY OF BARRE, VERMONT  
SCHEDULE OF PRIOR AUDIT FINDINGS AND  
DEFICIENCIES IN INTERNAL CONTROL  
JUNE 30, 2023

There was no single audit required in the prior year.

CITY OF BARRE, VERMONT  
SCHEDULE OF FINDINGS AND DEFICIENCIES IN INTERNAL CONTROL  
JUNE 30, 2023

Summary of Auditor's Results

Financial Statements

Type of Auditor's Report Issued:  
Unmodified.

Internal Control Over Financial Reporting:  
Material Weaknesses identified:  
None noted.  
Significant Deficiencies identified not considered to be material weaknesses:  
None noted.

Noncompliance material to financial statements:  
None noted.

Federal Awards

Internal Control Over Major Programs:  
Material Weaknesses identified:  
None noted.  
Significant Deficiencies identified not considered to be material weaknesses:  
None noted.

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

There are no audit findings that are required to be reported in accordance with 2 CFR 200.516(a).

Major Programs:

<u>CFDA #</u>	<u>Program</u>	<u>Federal Agency</u>
14.228	Community Development Block Grant	U.S. Department of Housing and Urban Development

The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.

The auditee did not qualify as a low risk auditee.