CITY OF BARRE, VERMONT

AUDIT REPORT AND REPORTS ON COMPLIANCE AND INTERNAL CONTROL

JUNE 30, 2025

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Independent Auditor's Report

City Council
City of Barre, Vermont
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, 2025, 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Principle

As described in Note I.F. to the financial statements, in 2025, the Town adopted new accounting guidance, GASB Statement No. 101, "Compensated Absences". Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 a 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

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that 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" 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 Schedule of Expenditures of Federal Awards 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 October 9, 2026, on our consideration of the City of Barre, Vermont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

October 9, 2026
Montpelier, Vermont
VT Lic. #92-000180

CITY OF BARRE, VERMONT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	$ 4,549,030	$ 200	$ 4,549,230
Restricted Cash Equivalents	544,890	977,053	1,521,943
Investments	7,521,808	0	7,521,808
Deposits held by Escrow Agent	867,503	0	867,503
Receivables (Net of Allowance for Uncollectible)	1,676,509	2,398,579	4,075,088
Due from Fiduciary Funds	10,000	0	10,000
Internal Balances	493,638	(493,638)	0
Prepaid Expenses	174,559	5,276	179,835
Inventory	74,649	518,260	592,909
Capital Assets:			
Land	3,747,536	319,011	4,066,547
Works of Art	308,184	0	308,184
Construction in Progress	2,563,930	973,790	3,537,720
Other Capital Assets, (Net of Accumulated Depreciation)	30,660,124	25,319,963	55,980,087
Total Assets	53,192,360	30,018,494	83,210,854
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to the City's Participation in VMERS	1,280,713	191,372	1,472,085
Total Deferred Outflows of Resources	1,280,713	191,372	1,472,085
LIABILITIES			
Accounts Payable	651,417	280,942	932,359
Accrued Payroll and Benefits Payable	186,852	28,469	215,321
Unearned Revenue	344,936	0	344,936
Due to State of Vermont	0	104,021	104,021
Accrued Interest Payable	51,219	41,840	93,059
Noncurrent Liabilities:			
Due within One Year	895,399	698,127	1,593,526
Due in More than One Year	11,341,128	8,024,600	19,365,728
Total Liabilities	13,470,951	9,177,999	22,648,950
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to the City's Participation in VMERS	278,463	41,609	320,072
Total Deferred Inflows of Resources	278,463	41,609	320,072
NET POSITION			
Net Investment in Capital Assets	31,900,643	19,779,799	51,680,442
Restricted:			
Non-Expendable:			
Cemetery	839,763	0	839,763
Expendable:			
Bike Path and Non-Operating Expenditures	701,572	0	701,572
Cemetery	3,545,030	0	3,545,030
Cozzi Trust Capital Expenditures	2,113,473	0	2,113,473
TIF District	651,495	0	651,495
Other Purposes	588,789	0	588,789
Unrestricted	382,894	1,210,459	1,593,353
Total Net Position	$ 40,723,659	$ 20,990,258	$ 61,713,917

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

CITY OF BARRE, VERMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

		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	$ 2,483,399	$ 568,106	$ 113,027	$ 2,163,950	$ 361,684	$ 0	$ 361,684
Public Safety	7,582,182	1,127,418	93,709	173,791	(6,187,264)	0	(6,187,264)
Public Works	3,867,275	27,567	1,615,926	24,299	(2,199,483)	0	(2,199,483)
Culture and Recreation	1,250,657	0	132,084	235,741	(882,832)	0	(882,832)
Community Development	1,210,012	0	572,266	0	(637,746)	0	(637,746)
Cemetery	282,517	133,414	0	3,096,000	2,946,897	0	2,946,897
Interest on Long-term Debt	229,107	0	0	0	(229,107)	0	(229,107)
Total Governmental Activities	16,905,149	1,856,505	2,527,012	5,693,781	(6,827,851)	0	(6,827,851)
Business-type Activities:							
Water	3,386,057	3,081,774	166,742	0	0	(137,541)	(137,541)
Sewer	3,900,274	4,255,874	170,867	236,194	0	762,661	762,661
Total Business-type Activities	7,286,331	7,337,648	337,609	236,194	0	625,120	625,120
Total Primary Government	$ 24,191,480	$ 9,194,153	$ 2,864,621	$ 5,929,975	(6,827,851)	625,120	(6,202,731)
General Revenues:							
Property Taxes					10,885,544	0	10,885,544
Penalties and Interest on Delinquent Taxes					93,734	0	93,734
Local Option Sales Taxes					943,109	0	943,109
Payments in Lieu of Taxes					376,276	0	376,276
ARPA Funds					2,470,076	0	2,470,076
Unrestricted Investment Earnings					419,967	0	419,967
Insurance Proceeds					40,304	0	40,304
Transfers					(299,810)	299,810	0
Total General Revenues and Transfers					14,929,200	299,810	15,229,010
Change in Net Position					8,101,349	924,930	9,026,279
Net Position - July 1, 2024					32,622,310	20,065,328	52,687,638
Net Position - June 30, 2025					$ 40,723,659	$ 20,990,258	$ 61,713,917

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

CITY OF BARRE, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Capital Improvement Fund	Special Fund	Cozzi Trust Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash	$ 3,307,758	$ 0	$ 7,230	$ 43,610	$ 1,190,432	$ 4,549,030
Restricted Cash Equivalents	0	544,890	0	0	0	544,890
Investments	517,305	0	58,564	5,245,745	1,700,194	7,521,808
Deposits held by Escrow Agent	0	867,503	0	0	0	867,503
Receivables (Net of Allowance for Uncollectible)	1,248,454	264,128	163,927	0	0	1,676,509
Due from Other Funds	244,072	0	1,079,349	0	35,402	1,358,823
Prepaid Items	174,559	0	0	0	0	174,559
Inventory	22,649	52,000	0	0	0	74,649
Total Assets	$ 5,514,797	$ 1,728,521	$ 1,309,070	$ 5,289,355	$ 2,926,028	$ 16,767,771
LIABILITIES						
Accounts Payable	$ 530,311	$ 26,506	$ 87,845	$ 0	$ 6,755	$ 651,417
Accrued Payroll and Benefits Payable	186,582	0	270	0	0	186,852
Due to Other Funds	0	603,231	0	0	251,954	855,185
Unearned Revenue	344,936	0	0	0	0	344,936
Total Liabilities	1,061,829	629,737	88,115	0	258,709	2,038,390
DEFERRED INFLOWS OF RESOURCES						
Unavailable Property Taxes, Penalties, and Interest	303,840	0	0	0	0	303,840
Unavailable Ambulance Fees	76,000	0	0	0	0	76,000
Unavailable Grants	310,945	14,566	30,414	0	0	355,925
Unavailable Miscellaneous Revenue	39,219	0	0	0	0	39,219
Total Deferred Inflows of Resources	730,004	14,566	30,414	0	0	774,984
FUND BALANCES						
Nonspendable	197,208	52,000	0	0	839,763	1,088,971
Restricted	0	1,225,321	518,850	5,289,355	1,792,154	8,825,680
Assigned	1,358	0	671,691	0	35,402	708,451
Unassigned/(Deficit)	3,524,398	(193,103)	0	0	0	3,331,295
Total Fund Balances	3,722,964	1,084,218	1,190,541	5,289,355	2,667,319	13,954,397
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 5,514,797	$ 1,728,521	$ 1,309,070	$ 5,289,355	$ 2,926,028	
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:						
Capital Assets Used in Governmental Activities are not Financial Resources and, Therefore, are not Reported in the Funds.						37,279,774
Other Assets are not Available to Pay for Current-Period Expenditures and, Therefore, are Deferred in the Funds.						774,984
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.						(12,287,746)
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.						1,002,250
Net Position of Governmental Activities						$ 40,723,659

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, 2025

	General Fund	Capital Improvement Fund	Special Fund	Cozzi Trust Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:						
Property Taxes	$ 9,996,311	$ 450,000	$ 0	$ 0	$ 354,393	$ 10,800,704
Penalties and Interest on Delinquent Taxes	93,734	0	0	0	0	93,734
Local Option Sales Taxes	0	943,109	0	0	0	943,109
Payments in Lieu of Taxes	376,276	0	0	0	0	376,276
Intergovernmental	1,783,233	28,011	2,896,104	0	520,113	5,227,461
Charges for Services	2,541,208	29,709	0	0	11,232	2,582,149
Permits, Licenses and Fees	549,978	25,666	33,376	0	0	609,020
Fines and Forfeits	44,510	0	0	0	0	44,510
Investment Income	76,056	22,265	42,013	129,355	150,278	419,967
Donations	59,304	0	91,540	5,160,000	0	5,310,844
Opioids Settlement	0	0	41,977	0	0	41,977
Total Revenues	15,520,610	1,498,760	3,105,010	5,289,355	1,036,016	26,449,751
Expenditures:						
General Government	3,028,620	8,158	299,922	0	31,728	3,368,428
Public Safety	6,959,117	0	81,132	0	2,783	7,043,032
Public Works	2,320,462	0	56,821	0	0	2,377,283
Culture and Recreation	985,108	11,867	28,615	0	68,250	1,093,840
Community Development	170,012	0	540,000	0	500,000	1,210,012
Cemetery	255,933	0	0	0	0	255,933
Capital Outlay:						
General Government	11,991	80,199	0	0	0	92,190
Public Safety	32,389	94,370	116,921	0	0	243,680
Public Works	714,230	2,681,454	0	0	0	3,395,684
Culture and Recreation	0	112,829	223,974	0	0	336,803
Debt Service:						
Principal	585,862	210,887	0	0	88,000	884,749
Interest	113,507	66,029	0	0	55,541	235,077
Total Expenditures	15,177,231	3,265,793	1,347,385	0	746,302	20,536,711
Excess/(Deficiency) of Revenues Over Expenditures	343,379	(1,767,033)	1,757,625	5,289,355	289,714	5,913,040
Other Financing Sources/(Uses):						
Insurance Proceeds	610	39,694	0	0	0	40,304
Transfers In	1,349,468	75,000	10,000	0	64,304	1,498,772
Transfers Out	(134,304)	(48,389)	(1,573,889)	0	(42,000)	(1,798,582)
Total Other Financing Sources/(Uses)	1,215,774	66,305	(1,563,889)	0	22,304	(259,506)
Net Change in Fund Balances	1,559,153	(1,700,728)	193,736	5,289,355	312,018	5,653,534
Fund Balances - July 1, 2024	2,163,811	2,784,946	996,805	0	2,355,301	8,300,863
Fund Balances - June 30, 2025	$ 3,722,964	$ 1,084,218	$ 1,190,541	$ 5,289,355	$ 2,667,319	$ 13,954,397

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, 2025

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)	$	5,653,534
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets ($4,068,357) is allocated over their estimated useful lives and reported as depreciation expense ($2,201,421). This is the amount by which capital outlays exceeded depreciation in the current period.		1,866,936
The issuance of long-term debt ($-0-) (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt ($884,749) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the net position.		884,749
The issuance of loans receivable ($-0-) consumes current financial resources of governmental funds, while the repayment of the principal of loans receivable ($29,819) provides current financial resources to governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of loans receivable.		(29,819)
Governmental funds report employer pension contributions as expenditures ($566,904). However, in the statement of activities, the cost of pension benefits earned net of employee contributions ($809,390) is reported as pension expense. This amount is the net effect of the differences in the treatment of pension expense.		(242,486)
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.		(15,767)
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.		(15,798)
Change in net position of governmental activities (Exhibit B)	$	8,101,349

The General Fund charges the Water Fund and Sewer Fund for administrative and capital expenses. These charges totaling $1,138,161 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, 2025

	Water Fund	Sewer Fund	Total
ASSETS			
Current Assets:			
Cash	$ 200	$ 0	$ 200
Restricted Cash Equivalents	927,208	49,845	977,053
Receivables (Net of Allowance for Uncollectible)	858,858	1,539,721	2,398,579
Due from Other Funds	2,532,816	0	2,532,816
Prepaid Expenses	2,638	2,638	5,276
Inventory	412,731	105,529	518,260
Total Current Assets	4,734,451	1,697,733	6,432,184
Noncurrent Assets:			
Capital Assets:			
Land	210,011	109,000	319,011
Construction in Progress	347,110	626,680	973,790
Buildings and Building Improvements	10,194	449,365	459,559
Vehicles, Machinery, Equipment and Furniture	314,718	3,432,736	3,747,454
Distribution and Collection Systems	24,806,888	16,864,052	41,670,940
Less: Accumulated Depreciation	(12,091,092)	(8,466,898)	(20,557,990)
Total Noncurrent Assets	13,597,829	13,014,935	26,612,764
Total Assets	18,332,280	14,712,668	33,044,948
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to the City's Participation in VMERS	103,046	88,326	191,372
Total Deferred Outflows of Resources	103,046	88,326	191,372
LIABILITIES			
Current Liabilities:			
Accounts Payable	104,312	176,629	280,941
Accrued Payroll and Benefits Payable	14,992	13,477	28,469
Due to Other Funds	0	3,026,454	3,026,454
Due to State of Vermont - Current Portion	0	104,022	104,022
Accrued Interest Payable	29,895	11,945	41,840
Notes Payable - Current Portion	67,369	0	67,369
General Obligation Bonds Payable - Current Portion	380,768	249,990	630,758
Total Current Liabilities	597,336	3,582,517	4,179,853
Noncurrent Liabilities:			
Compensated Absences Payable	63,122	33,980	97,102
Net Pension Liability	402,276	344,809	747,085
General Obligation Bonds Payable - Noncurrent Portion	4,880,470	2,299,943	7,180,413
Total Noncurrent Liabilities	5,345,868	2,678,732	8,024,600
Total Liabilities	5,943,204	6,261,249	12,204,453
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to the City's Participation in VMERS	22,405	19,204	41,609
Total Deferred Inflows of Resources	22,405	19,204	41,609
NET POSITION			
Net Investment in Capital Assets	9,241,341	10,538,458	19,779,799
Unrestricted/(Deficit)	3,228,376	(2,017,917)	1,210,459
Total Net Position	$ 12,469,717	$ 8,520,541	$ 20,990,258

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, 2025

	Water Fund	Sewer Fund	Total
Operating Revenues:			
Charges for Services	$ 3,046,970	$ 3,720,222	$ 6,767,192
Interest and Penalties	33,956	27,869	61,825
Other	848	0	848
Total Operating Revenues	3,081,774	3,748,091	6,829,865
Operating Expenses:			
Payroll and Benefits	997,760	888,408	1,886,168
Administrative Costs	539,644	539,645	1,079,289
Professional Services	10,995	28,370	39,365
Supplies	44,426	34,309	78,735
Utilities	153,696	364,728	518,424
Maintenance	558,971	394,055	953,026
Chemicals	268,475	458,299	726,774
Permits and Testing	38,678	17,400	56,078
Taxes	63,257	0	63,257
Sludge Disposal	0	590,584	590,584
Depreciation	465,248	478,481	943,729
Other Operating Expenses	1,845	2,858	4,703
Total Operating Expenses	3,142,995	3,797,137	6,940,132
Operating Income/(Loss)	(61,221)	(49,046)	(110,267)
Non-Operating Revenues/(Expenses):			
FEMA Reimbursement	13,361	35,576	48,937
Flood Damage Expenses	(15,069)	(28,994)	(44,063)
Investment Income	35,970	33,322	69,292
Interest Expense	(178,928)	(74,143)	(253,071)
Debt Forgiveness	117,411	101,969	219,380
Service Line Inventory Expenses	(49,065)	0	(49,065)
Total Non-Operating Revenues/(Expenses)	(76,320)	67,730	(8,590)
Net Income/(Loss) Before Capital Contributions	(137,541)	18,684	(118,857)
Capital Contributions:			
Pump Station Grant Income	0	151,668	151,668
Debt Forgiveness	0	84,526	84,526
ARPA Transfer In - North Main Street Sewer Line	0	299,810	299,810
Barre Town Cost Share-Digester	0	507,783	507,783
Total Capital Contributions	0	1,043,787	1,043,787
Change in Net Position	(137,541)	1,062,471	924,930
Net Position - July 1, 2024	12,607,258	7,458,070	20,065,328
Net Position - June 30, 2025	$ 12,469,717	$ 8,520,541	$ 20,990,258

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, 2025

	Water Fund	Sewer Fund	Total
Cash Flows From Operating Activities:			
Receipts from Customers and Users	$ 3,254,681	$ 4,555,152	$ 7,809,833
Payments for Goods and Services	(1,204,991)	(2,013,290)	(3,218,281)
Payments for Interfund Services	(539,644)	(539,645)	(1,079,289)
Payments for Wages and Benefits	(957,124)	(911,590)	(1,868,714)
Net Cash Provided by Operating Activities	552,922	1,090,627	1,643,549
Cash Flows From Noncapital Financing Activities:			
Issuance of Long-term Debt	149,821	208,876	358,697
Service Line Inventory Expenses	(49,065)	0	(49,065)
Flood Damage Expenses	(21,417)	(291,318)	(312,735)
(Increase)/Decrease in Due from Other Funds	256,262	0	256,262
Increase/(Decrease) in Due to Other Funds	0	367,136	367,136
Net Cash Provided by Noncapital Financing Activities	335,601	284,694	620,295
Cash Flows From Capital and Related Financing Activities:			
Transfer from ARPA Fund	0	299,810	299,810
Issuance of Long-term Debt	0	190,650	190,650
Grant Income	0	88,668	88,668
Acquisition and Construction of Capital Assets	(700,145)	(1,816,374)	(2,516,519)
Principal Paid on Long-term Debt	(435,513)	(240,306)	(675,819)
Interest Paid on Long-term Debt	(182,035)	(75,330)	(257,365)
Net Cash Provided/(Used) by Capital and Related Financing Activities	(1,317,693)	(1,552,882)	(2,870,575)
Cash Flows From Investing Activities:			
Receipt of Interest and Dividends	35,970	33,322	69,292
Net Cash Provided by Investing Activities	35,970	33,322	69,292
Net Increase/(Decrease) in Cash and Restricted Cash Equivalents	(393,200)	(144,239)	(537,439)
Cash and Restricted Cash Equivalents - July 1, 2024	1,320,608	194,084	1,514,692
Cash and Restricted Cash Equivalents - June 30, 2025	$ 927,408	$ 49,845	$ 977,253
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	$ (61,221)	$ (49,046)	$ (110,267)
Depreciation	465,248	478,481	943,729
(Increase)/Decrease in Receivables	172,907	807,061	979,968
(Increase)/Decrease in Inventory	(40,942)	(14,380)	(55,322)
(Increase)/Decrease in Deferred Outflows of Resources Related to the City's Participation in VMERS	7,846	13,840	21,686
Increase/(Decrease) in Accounts Payable	(23,706)	(108,307)	(132,013)
Increase/(Decrease) in Accrued Payroll and Benefits Payable	(11,464)	(15,754)	(27,218)
Increase/(Decrease) in Compensated Absences Payable	(11,192)	(45,096)	(56,288)
Increase/(Decrease) in Net Pension Liability	52,563	22,610	75,173
Increase/(Decrease) in Deferred Inflows of Resources Related to the City's Participation in VMERS	2,883	1,218	4,101
Net Cash Provided by Operating Activities	$ 552,922	$ 1,090,627	$ 1,643,549

The Water Fund recognized a forgiveness of debt from the State of Vermont in the amount of $117,411.

The Sewer Fund recognized a forgiveness of debt from the State of Vermont in the amount of $186,495.

There was $7,475 of capital acquisitions in the Water Fund included in payables at June 30, 2024.

There was $25,498 of capital acquisitions in the Water Fund included in payables at June 30, 2025.

There was $404,585 of capital acquisitions in the Sewer Fund included in payables at June 30, 2024.

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

CITY OF BARRE, VERMONT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	Private-Purpose Trust Fund	Custodial Fund
	Brusa Fund	Education Tax Fund
ASSETS		
Investments	$ 90,050	$ 0
Total Assets	$ 90,050	$ 0
LIABILITIES AND NET POSITION		
Liabilities:		
Due to Other Funds	$ 10,000	$ 0
Total Liabilities	10,000	0
Net Position:		
Restricted:		
Held in Trust for Other Purposes	80,050	0
Total Net Position	80,050	0
Total Liabilities and Net Position	$ 90,050	$ 0

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, 2025

	Private-Purpose Trust Fund	Custodial Fund
	Brusa Fund	Education Tax Fund
Additions:		
Investment Income	$ 1,052	$ 0
Education Taxes Collected for Other Governments	0	7,272,695
Total Additions	1,052	7,272,695
Deductions:		
Culture and Recreation	10,000	0
Education Taxes Distributed to Other Governments	0	7,272,695
Total Deductions	10,000	7,272,695
Change in Net Position	(8,948)	0
Net Position - July 1, 2024	88,998	0
Net Position - June 30, 2025	$ 80,050	$ 0

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

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.

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.

Cozzi Trust Fund – This fund accounts for capital expenditures at Hope Cemetery and for City capital improvement projects, including City Hall land acquisitions, new libraries, major building additions and renovations, park land acquisition and development, new streets, roads and sidewalks, parking lots, recreation buildings, schools, tennis courts, and swimming pools

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.

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.

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 – Compensated Absences

Effective June 30, 2025, the Town implemented GASB Statement No. 101, "Compensated Absences". GASB Statement No. 101 is intended to improve consistency and enhance the accounting and financial reporting for compensated absences. It establishes a unified model for recognizing liabilities related to both unused and used-but-unpaid leave, based on updated recognition and measurement guidance. In addition, this statement provides clearer definitions and requirements for when and how compensated absences should be reported. The implementation of this Standard did not affect net position/fund balances as of July 1, 2024.

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.

6. 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.

7. Leases

Lessee: The City recognizes lease liabilities and a right-to-use lease asset (lease asset) in the government-wide and proprietary fund financial statements. The City recognizes lease liabilities with an initial, individual value deemed material. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported as right to use along with other capital assets and lease liabilities are reported with long-term debt in the government-wide and proprietary fund financial statements.

Lessor: The City recognizes a lease receivable and a deferred inflows of resources in both the government-wide and fund financial statements. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources is initially measured as the initial amount of the lease receivable. Subsequently, the deferred inflows of resources is recognized as revenue on a straight-line basis over the term of the lease. Lease receivables in excess of the related deferred inflows of resources are reported as nonspendable fund balances of governmental funds in the fund financial statements as these are not in spendable form.

8. Capital Assets

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

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

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

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

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

9. 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.

10. 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.

11. 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.

12. 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, proprietary and fiduciary fund financial statements represent amounts that cannot be appropriated or are legally restricted for a specific purpose by a grant, contract, or other binding agreement. Fund balances of governmental fund financial statements are classified as nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors, or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the City Council's intended use of the resources); and unassigned.

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

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

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

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.

Loans receivable differences arise because governmental funds report the issuance of loans receivable as expenditures and repayments of loans receivable as revenues, whereas government-wide statements report those transactions as increases and decreases in assets, 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. The budget presented herein is for the City's "General Fund" only and does not include unbudgeted transfers, special projects, and flood damage expenses and related funding.

B. Budgeted Deficit

The City budgeted a current year's deficiency of revenues over expenditures in the General Fund in the amount of $1,000,000. This is reflected as a budgeted deficiency of revenues over expenditures on Schedule 1.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

The City's cash, cash equivalents and investments as of June 30, 2025 consisted of the following:

Restricted Cash Equivalents:	
Money Market Mutual Funds – U.S. Government Securities	$ 1,521,943
Unrestricted Cash:	
Deposits with Financial Institutions	4,391,717
Deposits with Investment Company	156,538
Cash on Hand	975
Total Unrestricted Cash	4,549,230
Total Cash and Cash Equivalents	6,071,173

Investments:	
Certificates of Deposit	$ 607,356
Exchange-Traded Funds	54,834
Mutual Funds – Mixed Holdings	6,949,668
Total Investments	7,611,858
Total Cash, Cash Equivalents and Investments	$13,683,031

The City has two (2) certificates of deposit at various banks in the amounts of $90,050 and $517,306 with interest rates of 4.0% and 3.95%, respectively. Both certificates of deposit matured during fiscal year 2026.

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.

	Book Balance	Bank Balance
FDIC/SIPC Insured	$ 771,545	$ 775,515
Uninsured, Collateralized by U.S. Government Agencies Securities Held by the Pledging Financial Institution's Agent	4,116,761	4,376,601
Uninsured, Uncollateralized	267,305	267,305
Total	$5,155,611	$5,419,421

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

$267,305 of uninsured, uncollateralized deposits could be offset by debt at the respective bank.

The book balance is comprised of the following:

Unrestricted Cash – Deposits with Financial Institutions	$4,391,717
Unrestricted Cash – Deposits with Investment Company	156,538
Investments – Certificates of Deposit	607,356
Total	$5,155,611

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 not subject to 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 not subject to credit risk disclosure. The City's money market mutual funds and mutual funds are open-ended and, therefore, are also exempt from credit risk disclosure.

Concentration of Credit Risk

Concentration of credit risk is the risk that a large percentage of the City's investments are held within one security. The City does not have any limitations on the amount that can be invested in any one issuer. The City's certificates of deposit and exchange-traded funds are not subject to concentration of credit risk disclosure. The City's money market mutual funds and mutual funds are open-ended and, therefore, are also excluded from concentration of credit risk disclosure. There are no other investments in any one issuer 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, 2025:

		Fair Value Measurements Using:		
Description	Total	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Exchange-Traded Funds	$ 54,834	$ 54,834	$ 0	$ 0
Mutual Funds - Mixed Holdings	6,949,668	6,949,668	0	0
Total	$ 7,004,502	$ 7,004,502	$ 0	$ 0

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, 2025 is $1,245,608.

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, 2025 is $276,335.

B. Deposits held by Escrow Agent

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, respectively. 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, 2025 is $355,000.

In 2024, the City entered into a lease agreement with Municipal Leasing Consultants, LLC in the amount of $512,503 for the financing of a plow truck, an excavator and a trailer. Lease proceeds are held by an escrow agent until the acquisition of the vehicles and equipment. The amount held by the escrow agent to be spent as of June 30, 2025 is $512,503.

C. Receivables

Receivables as of June 30, 2025, as reported in the statement of net position, net of applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-type Activities	Total
Delinquent Taxes Receivable	$ 394,013	$ 0	$ 394,013
Penalties and Interest Receivable	87,256	0	87,256
Local Option Sales Tax Receivable	249,562	0	249,562
Ambulance Receivable	531,683	0	531,683
Parking Tickets Receivable	787,486	0	787,486
Grants Receivable	753,227	74,688	827,915
Billed Services	0	729,382	729,382
Unbilled Services	0	1,087,926	1,087,926
Miscellaneous Receivables	112,310	508,206	620,516
Allowance for Doubtful Accounts - Taxes and Related Fees	(101,100)	0	(101,100)
Allowance for Doubtful Accounts - Ambulance	(348,900)	0	(348,900)
Allowance for Doubtful Accounts - Parking Tickets	(774,048)	0	(774,048)
Allowance for Doubtful Accounts - Cemetery Fees	(14,980)	0	(14,980)
Allowance for Doubtful Accounts - Miscellaneous Fees	0	(423)	(423)
Allowance for Doubtful Accounts - Water/Sewer	0	(1,200)	(1,200)
	$ 1,676,509	$ 2,398,579	$ 4,075,088

D. Loans Receivable

Loans receivable as of June 30, 2025 are as follows:

Loan 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
Loan 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
Loan 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
Loan 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

Loan 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
Loan 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	800,000
Loan Receivable, Granite City Apartments Limited Partnership, Interest at 0%, Deferred until February 11, 2055 or Upon Sale of Property or Change in Use at which Time all Principal is Due, Secured by Real Property	500,000
Total	4,292,220
Less: Allowance for Doubtful Loans Receivable	(4,292,220)
Reported Value as of June 30, 2025	$ 0

E. Capital Assets

Capital asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 3,536,836	$ 210,700	$ 0	$ 3,747,536
Works of Art	308,184	0	0	308,184
Construction in Progress	386,986	2,787,382	610,438	2,563,930
Total Capital Assets, Not Being Depreciated	4,232,006	2,998,082	610,438	6,619,650
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	11,577,999	215,361	0	11,793,360
Vehicles, Machinery, Equipment and Furniture	9,539,300	750,667	346,769	9,943,198
Infrastructure	34,084,256	728,974	0	34,813,230
Cemetery Developments	823,929	0	0	823,929
Totals	56,025,484	1,695,002	346,769	57,373,717
Less Accumulated Depreciation for:				
Buildings and Building Improvements	3,761,970	248,127	0	4,010,097
Vehicles, Machinery, Equipment and Furniture	5,605,412	549,725	332,480	5,822,657
Infrastructure	15,104,044	1,394,809	0	16,498,853
Cemetery Developments	373,226	8,760	0	381,986
Totals	24,844,652	2,201,421	332,480	26,713,593
Total Capital Assets, Being Depreciated	31,180,832	(506,419)	14,289	30,660,124
Governmental Activities Capital Assets, Net	$ 35,412,838	$ 2,491,663	$ 624,727	$ 37,279,774

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 319,011	$ 0	$ 0	$ 319,011
Construction in Progress	387,721	1,102,143	516,074	973,790
Total Capital Assets, Not Being Depreciated	706,732	1,102,143	516,074	1,292,801
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	459,559	0	0	459,559
Vehicles, Machinery, Equipment and Furniture	3,627,922	119,532	0	3,747,454
Distribution and Collection Systems	40,246,584	1,424,356	0	41,670,940
Totals	44,334,065	1,543,888	0	45,877,953
Less Accumulated Depreciation for:				
Buildings and Building Improvements	437,754	4,490		442,244
Vehicles, Machinery, Equipment and Furniture	1,170,623	155,018		1,325,641
Distribution and Collection Systems	18,005,884	784,221		18,790,105
Totals	19,614,261	943,729	0	20,557,990
Total Capital Assets, Being Depreciated	24,719,804	600,159	0	25,319,963
Business-type Activities Capital Assets, Net	$ 25,426,536	$ 1,702,302	$ 516,074	$ 26,612,764

Depreciation was charged as follows:

Governmental Activities:		Business-type Activities:	
General Government	$ 141,276	Water	$ 465,248
Public Safety	358,646	Sewer	478,481
Public Works	1,539,526		
Culture and Recreation	145,668		
Cemetery	16,305		
Total Depreciation Expense - Governmental Activities	$ 2,201,421	Total Depreciation Expense - Business-type Activities	$ 943,729

F. Interfund Balances and Activity

The composition of interfund balances as of June 30, 2025 are as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	$ 244,072	$ 0
Capital Improvement Fund	0	603,231
Special Fund	1,079,349	0
Non-Major Governmental Funds	35,402	251,954
Water Fund	2,532,816	0
Sewer Fund	0	3,026,454
Fiduciary Fund	0	10,000
	$ 3,891,639	$ 3,891,639

Interfund transfers during the year ended June 30, 2025 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Capital Improvement Fund	$ 25,000	Appropriation
General Fund	Capital Improvement Fund	50,000	Additional Funding for Paving Projects
General Fund	Semprebon Fund	59,304	Transfer Annuity Earnings
Capital Improvement Fund	General Fund	48,389	Fund Debt Service
Special Fund	General Fund	1,266,079	ARPA Work-force Retention
Special Fund	General Fund	8,000	Fund Opioid Expenses
Special Fund	Sewer Fund	299,810	Fund Project Expenses
Semprebon Fund	Special Fund	10,000	Fund Project Expenses
Semprebon Fund	Shade Tree Improvement Fund	5,000	Fund Project Expenses
Cemetery Trust Fund	General Fund	25,000	Transfer Interest Earnings
Cemetery Trust Fund	General Fund	500	Transfer Interest Earnings - Flowers
Cemetery Trust Fund	General Fund	1,500	Transfer Interest Earnings - Mausoleum
Total		$ 1,798,582	

G. Deferred Outflows of Resources

Deferred outflows of resources in the governmental activities consists of $541,481 from the difference between the expected and actual experience, $123,328 from the net difference between the projected and actual investment earnings on pension plan investments, $26,944 from changes in assumptions and $22,056 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 $566,904 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the governmental activities is $1,280,713.

Deferred outflows of resources in the business-type activities consists of $80,911 from the difference between the expected and actual experience, $18,429 from the net difference between the projected and actual investment earnings on pension plan investments, $4,026 from changes in assumptions and $3,296 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 $84,710 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the business-type activities is $191,372.

Deferred outflows of resources in the Water Fund consists of $43,567 from the difference between the expected and actual experience, $9,923 from the net difference between the projected and actual investment earnings on pension plan investments, $2,168 from changes in assumptions and $1,775 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 $45,613 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the Water Fund is $103,046.

Deferred outflows of resources in the Sewer Fund consists of $37,344 from the difference between the expected and actual experience, $8,506 from the net difference between the projected and actual investment earnings on pension plan investments, $1,858 from changes in assumptions and $1,521 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 $39,097 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the Sewer Fund is $88,326.

H. Unearned Revenue

Unearned revenue in the governmental activities consists of $80,076 of rental property registration fees, $8,596 of recreation fees, and $256,264 of the unspent Federal Emergency Management Agency (FEMA) grant revenue received in advance. Total unearned revenue in the governmental activities and General Fund is $344,936.

I. Deferred Inflows of Resources

Deferred inflows of resources in the governmental activities consists of $278,463 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 $41,609 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 $303,840 of delinquent property taxes, penalties and interest on those taxes, $76,000 of ambulance fees, $310,945 of grant revenue, and $39,219 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 $730,004.

Deferred inflows of resources in the Capital Improvement Fund consists of $14,566 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 Special Fund consists of $30,414 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 $22,405 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 $19,204 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. Short-term Debt

The City has a note payable with Vermont Bond Bank. The terms and activity are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Note Payable, Vermont Bond Bank, Municipal Climate Recovery Fund, Interest at 1.3%, Interest Only Payment Due September, 2024, Principal Balance and Interest Due and Paid March, 2025	$1,500,000	$ 0	$1,500,000	$ 0

K. Long-term Liabilities

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

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

The State of Vermont offers a number of low and no-interest revolving loan programs to utilize for predetermined purposes. The City has borrowed money from the Vermont Special Environmental Revolving Fund for water and sewer projects.

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

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.

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, 2025 were as follows:

Governmental Activities:

	Beginning Balance	Additions	Deletions	Ending Balance
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	$ 585,000	$ 0	$ 195,000	$ 390,000
Bond Payable, Vermont Municipal Bond Bank, North Main Street Improvements, Principal Payments Ranging from $85,000 to $90,000 in Total Payable on November 15 Annually, Interest Rates Ranging from 0.80% to 4.66% Payable on May 15 and November 15, Due November, 2031. This is the Governmental Activities Portion of the Bond.	291,427	0	36,429	254,998
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	575,000	0	115,000	460,000
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	540,000	0	36,000	504,000

	Beginning Balance	Additions	Deletions	Ending Balance
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	$1,496,000	$ 0	$ 88,000	$1,408,000
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.	139,315	0	5,358	133,957
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	336,000	0	56,000	280,000
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	1,373,850	0	76,325	1,297,525
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	19,500	0	3,250	16,250

	Beginning Balance	Additions	Deletions	Ending Balance
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	$ 487,500	$ 0	$ 37,500	$ 450,000
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	350,000	0	25,000	325,000
Financed Purchase, Municipal Leasing Consultants, Ambulance, Principal and Interest Payments of $81,928 Payable on April 21 Annually, Interest at 4.97%, Due April, 2028	290,715	0	67,479	223,236
Financed Purchase, Municipal Leasing Consultants, 2 Plows, Principal and Interest Payments of $77,515 Payable on April 21 Annually, Interest at 4.97%, Due April, 2030	393,821	0	57,942	335,879
Financed Purchase, Kansas State Bank, Dispatch Consoles and Equipment, Principal and Interest Payments of $27,952 Payable on August 4 Annually, Interest at 5.17%, Due August, 2027	98,568	0	22,788	75,780
Financed Purchase, Municipal Leasing Consultants, Plow/Excavator, Principal and Interest Payments of $89,021 Payable on May 6 Annually Beginning May, 2025, Interest at 5.14%, Due May, 2031	512,503	0	62,678	449,825
Total Governmental Activities	$7,489,199	$ 0	$ 884,749	$6,604,450

Business-type Activities:

	Beginning Balance	Additions	Deletions	Ending Balance
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	$3,772,349	$ 0	$ 280,733	$3,491,616
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.	113,464	0	14,183	99,281
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.	1,053,434	0	40,517	1,012,917
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	69,074	0	3,838	65,236
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	88,670	0	7,389	81,281

	Beginning Balance	Additions	Deletions	Ending Balance
Bond Payable, State of Vermont Special Environmental Revolving Fund, Hydro Power Turbine, Principal Payments of $9,299 Payable on July 1 Annually, 0% Interest, Due July, 2044	$ 185,965	$ 0	$ 9,299	$ 176,666
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	303,109	0	13,778	289,331
Bond Payable, State of Vermont Special Environmental Revolving Fund, Asset Management Plan, Authorized to $50,000 but Eligible for $37,500 Subsidy, Principal Payments of $2,500 Payable on January 1 Annually Beginning January, 2027, 0% Interest, Due January, 2031	12,500	0	0	12,500
Bond Payable, State of Vermont Special Environmental Revolving Fund, Service Line Inventory, Authorized to $450,000 but Eligible for 100% Subsidy on First $100,000 and 50% Subsidy on Remaining Portion, Principal Payments of $35,000 Payable on August 1 Annually Beginning August, 2028, 0% Interest, Due August, 2032. The City Recognized $117,411 of the Subsidy During the Year.	0	149,821	117,411	32,410
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	133,145	0	65,776	67,369
Total Water Fund	5,731,710	149,821	552,924	5,328,607

	Beginning Balance	Additions	Deletions	Ending Balance
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	$ 399,873	$ 0	$ 108,960	$ 290,913
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.	275,112	0	34,390	240,722
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.	973,915	0	37,458	936,457
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	720,000	0	45,000	675,000
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	87,074	0	4,838	82,236

	Beginning Balance	Additions	Deletions	Ending Balance
Bond Payable, State of Vermont Special Environmental Revolving Fund, Sewer Treatment Plant HVAC Project, Principal and Interest Payments of $11,319 Payable on February 1 Annually, Interest at 2%, Due February, 2032	$ 82,916	$ 0	$ 9,660	$ 73,256
Bond Payable, State of Vermont Special Environmental Revolving Fund, Headworks Refurbishment Project, Authorized to $202,400 but Eligible for $100,000 Subsidy, Principal Payments of $10,240 Payable on September 1 Annually Beginning September, 2029, 0% Interest, Due September, 2038. The City Recognized $60,597 of the Subsidy During the Year.	17,591	142,793	60,597	99,787
Bond Payable, State of Vermont Special Environmental Revolving Fund, 20 Year Evaluation Plan, Authorized to $139,900 but Eligible for $69,950 Subsidy, Principal Payments of $6,995 Payable on February 1 Annually Beginning February 1, 2029, 0% Interest, Due February, 2038. The City Recognized $49,223 of the Subsidy During the Year.	20,727	98,446	49,223	69,950
Bond Payable, State of Vermont Special Environmental Revolving Fund, Pump Station, Authorized to $52,100 but Eligible for $26,050 Subsidy, Principal Payments of $5,210 Payable on November 1 Annually Beginning November 1, 2026, 0% Interest, Due November, 2030. The City Recognized $23,929 of the Subsidy During the Year.	0	47,857	23,929	23,928

	Beginning Balance	Additions	Deletions	Ending Balance
Bond Payable, State of Vermont Special Environmental Revolving Fund, Rate Study, Authorized to $151,600 but Eligible for $75,800 Subsidy, Principal Payments of $15,160 Payable on September 1 Annually Beginning September 1, 2029, 0% Interest, Due September, 2033. The City Recognized $22,740 of the Subsidy During the Year.	$ 0	$ 45,480	$ 22,740	$ 22,740
Bond Payable, State of Vermont Special Environmental Revolving Fund, Sewer Collection Evaluation, Authorized to $216,500 but Eligible for $100,000 Subsidy, Principal Payments of $11,650 Payable on September 1 Annually Beginning September 1, 2029, 0% Interest, Due September, 2038. The City Recognized $30,006 of the Subsidy During the Year.	0	64,950	30,006	34,944
Total Sewer Fund	2,577,208	399,526	426,801	2,549,933
Total Business-type Activities	$8,308,918	$ 549,347	$ 979,725	$7,878,540

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds Payable	$ 5,336,592	$ 0	$ 608,112	$ 4,728,480	$ 608,112
Notes Payable	857,000	0	65,750	791,250	65,750
Financed Purchases	1,295,607	0	210,887	1,084,720	221,537
VMERS Delayed Enrollment Liability	17,000	0	17,000	0	0
Compensated Absences Payable	593,599	38,768	0	632,367	0
Net Pension Liability	5,083,012	0	83,302	4,999,710	0
Total Governmental Activities Long-term Liabilities	$ 13,182,810	$ 38,768	$ 985,051	$ 12,236,527	$ 895,399

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
General Obligation Bonds Payable	$ 8,175,773	$ 549,347	$ 913,949	$ 7,811,171	$ 630,758
Notes Payable	133,145	0	65,776	67,369	67,369
Compensated Absences Payable	153,390	0	56,288	97,102	0
Net Pension Liability	671,912	75,173	0	747,085	0
Total Business-type Activities Long-term Liabilities	$ 9,134,220	$ 624,520	$ 1,036,013	$ 8,722,727	$ 698,127

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

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

Debt service requirements to maturity are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	895,399	209,598	698,127	236,031
2027	906,585	185,727	649,373	214,098
2028	723,336	161,032	603,778	193,787
2029	625,802	134,936	588,800	174,789
2030	518,235	115,081	629,559	156,023
2031-2035	1,498,439	372,529	2,999,248	381,318
2036-2040	1,142,415	144,720	792,714	179,395
2041-2045	267,444	12,848	513,289	95,028
2046-2050	26,795	2,177	403,652	31,678
Total	$ 6,604,450	$ 1,338,648	$ 7,878,540	$ 1,662,147

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 polices.

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

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

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

Major Funds

General Fund:	
Nonspendable Prepaid Items	$ 174,559
Nonspendable Inventory	22,649
Total General Fund	197,208
Capital Improvement Fund:	
Nonspendable Inventory	52,000

Non-Major Funds

Permanent Fund:	
Nonspendable Cemetery Trust Fund Principal	839,763
Total Nonspendable Fund Balances	$1,088,971

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)	$ 357,818
Restricted for Purchase of Capital Equipment and Vehicles by Unspent Lease Proceeds (Source of Revenue is Lease Proceeds)	867,503
Total Capital Improvement Fund	1,225,321

Special Fund:	
Restricted for Donation Fund Expenditures by Donations (Source of Revenue is Donations)	$ 21,669
Restricted for Opioid Crisis Abatement Expenses by Settlement Agreement (Source of Revenue is Opioid Settlement Funds)	74,644
Restricted for Restoration of Records by Statute (Source of Revenue is Recording Fees)	166,327
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)	249,276
Restricted for Recreation Expenses by Grant Agreement (Source is Grant Revenue)	3,506
Restricted for K-9 Equipment Expenses by Donations (Source of Revenue is Donations)	925
Total Special Fund	518,850
Cozzi Trust Fund:	
Restricted for Hope Cemetery Capital Improvements by Bequest (Source of Revenue is Bequest)	3,175,882
Restricted for City Capital Improvement Projects by Bequest (Source of Revenue is Bequest)	2,113,473
Total Cozzi Trust Fund	5,289,355
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)	67,101
Restricted for Semprebon Fund for the Bike Path and Other Non-Operating Expenditures by Bequest (Source of Revenue is Donations)	701,572
Total Special Revenue Funds	771,512
Capital Projects Funds:	
Restricted for TIF District Debt Service by Statute (Source of Revenue is Property Taxes)	651,495

Permanent Fund:	
Restricted for Cemetery Trust Fund Expenditures by Endowments and Trust Agreements	$ 369,147
Total Non-Major Funds	1,792,154
Total Restricted Fund Balances	$8,825,680

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

Major Funds

General Fund:	
Assigned for Committee Expenditures	$ 1,358
Special Fund:	
Assigned for Reappraisal Expenses	310,069
Assigned for Recreation Programs	3,826
Assigned for One-Time Special Projects	175,722
Assigned for Hope Cemetery Expenses	65,794
Assigned for Energy Committee Expenses	1,935
Assigned for Bike Path Maintenance Expenses	109,042
Assigned for Enterprise Alley Expenses	13,661
Assigned in Excess of Available Fund Balance	(8,358)
Total Special Fund	671,691

Non-Major Funds

Capital Projects Funds:	
Assigned for Shade Tree Improvement Expenditures	26,133
Assigned for BOR Turf Expenditures	9,269
Total Non-Major Funds	35,402
Total Assigned Fund Balances	$ 708,451

The unassigned deficit in the Capital Improvement Fund of $193,103 will be funded in future years with local options tax revenues.

M. Restricted and Designated Net Position

The restricted net position of the City as of June 30, 2025 consisted of the following:

Governmental Activities:	
Restricted for Special Fund Expenditures by Donations, Statute, Grant Revenue and Settlement Agreement	$ 518,850
Restricted for Community Development by Grant Agreements	2,839
Restricted for Drug Forfeiture Expenditures by Agreement	67,101

Restricted for Semprebon Fund for the Bike Path and Other Non-Operating Expenditures by Bequest	$ 701,572
Restricted for TIF District Debt Service by Charter	651,495
Restricted for Hope Cemetery Capital Improvements by Bequest (Source of Revenue is Bequest)	3,175,882
Restricted for City Capital Improvement Projects by Bequest (Source of Revenue is Bequest)	2,113,473
Restricted for Cemetery Trust Fund Expenditures by Endowments and Trust Agreements – Non-Expendable Portion – Estimated	839,763
Restricted for Cemetery Trust Fund Expenditures by Endowments and Trust Agreements – Expendable Portion	369,147
Total Governmental Activities	$8,440,122

The unrestricted deficit in the Sewer Fund of $2,017,917 will be funded in future years with additional revenues.

The net position held in trust for various purposes in the City's Private-Purpose Trust Funds as of June 30, 2025 consisted of the following:

Private-Purpose Trust Funds:	
Restricted for the Benefit of the Poor Children of the City of Barre by Bequest	$80,050

V. OTHER INFORMATION

A. Pension Plans

Defined Benefit Plans

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, 2024, the measurement date selected by the State of Vermont, the retirement system consisted of 362 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.

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

As of June 30, 2024, the measurement date selected by the State of Vermont, VMERS was funded at 75.22% and had a plan fiduciary net position of $1,008,504,817 and a total pension liability of $1,340,652,483 resulting in a net position liability of $332,147,666. The Town's proportionate share of this was 1.7302% resulting in a net pension liability of $5,746,795. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. The Town's proportion of 1.7302% was a decrease of 0.0666 from its proportion measured as of the prior year.

For the year ended June 30, 2025, the Town recognized pension expense of $995,060.

As of June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 622,392	$ 0
Net difference between projected and actual investment earnings on pension plan investments	141,757	0
Changes in assumptions	30,970	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	25,352	320,072
City's required employer contributions made subsequent to the measurement date	651,614	0
	$ 1,472,085	$ 320,072

The deferred outflows of resources resulting from the Town's required employer contributions made subsequent to the measurement date in the amount of $651,614 will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30	
2026	$109,318
2027	489,566
2028	(5,506)
2029	(92,979)
Total	$500,399

Summary of Plan Provisions

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

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.

Normal Retirement Eligibility – Group A – Earlier of age 65 with five (5) years of service or age 55 with thirty-five (35) years of service. Group B – 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.

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

Early Retirement 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; payable without reduction to Group D members.

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

Disability Retirement Amount – All Groups – 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 – All Groups – Death after five (5) years of service.

Death Benefit Amount – 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. Group D – 70% of the unreduced accrued benefit, plus children's benefit.

Post-Retirement Adjustments – Group A – Allowances in pay status for at least one (1) year increased on each January 1 by one-half of the percentage increase in Consumer Price Index, but not more than 2%. If receiving an Early Retirement benefit, no increases until after attaining Normal Retirement eligibility. If receiving a Disability Retirement benefit, no increases until after attaining age 62. Groups B, C and D – Allowances in payment for at least one (1) year increased on each January 1 by one-half of the percentage increase in Consumer Price Index, but not more than 3%. If receiving an Early Retirement benefit, no increases until after attaining Normal Retirement eligibility. If receiving a Disability Retirement benefit, no increases until after attaining age 62 (age 55 for Group C).

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

Optional Benefit and Death after Retirement – Groups A, B and C – A lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee. Group D – A 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:

Effective	Group A	Group B	Group C	Group D
July 1, 2024	4.00%	6.375%	11.50%	12.85%
July 1, 2025	4.25%	6.625%	11.75%	13.10%
July 1, 2026	4.50%	6.875%	12.00%	13.35%
July 1, 2027	4.75%	7.125%	12.25%	13.60%
July 1, 2028	5.00%	7.375%	12.50%	13.85%
July 1, 2029	5.25%	7.625%	12.75%	14.10%

Employer Contribution Rates:

Effective	Group A	Group B	Group C	Group D
July 1, 2024	5.50%	7.00%	8.75%	11.35%
July 1, 2025	5.75%	7.25%	9.00%	11.60%
July 1, 2026	6.00%	7.50%	9.25%	11.85%
July 1, 2027	6.25%	7.75%	9.50%	12.10%
July 1, 2028	6.50%	8.00%	9.75%	12.35%
July 1, 2029	6.75%	8.25%	10.00%	12.60%

Significant Actuarial Assumptions and Methods

Inflation Rate – 2.30% per year.

Investment Rate of Return – 7.00%, net of pension plan investment expenses, including inflation.

Salary Increases – Ranging from 4.07% to 6.21% based on service.

Cost-of-Living Adjustments (COLA) – Assumed to occur on January 1 following one (1) year of retirement at the rate of 1.10% per annum for Group A members and 1.20% per annum for Groups B, C and D members (beginning at Normal Retirement eligibility age for members who elect reduced early retirement, at age 62 for members of Groups A, B and D who receive a disability retirement benefit, and at age 55 for members of Group C who receive a disability retirement benefit). The January 1, 2025 COLA is expected to be 1.90% for all groups. The January 1, 2024 COLA was 1.10% for all groups.

Mortality:

Pre-Retirement Participants – Groups A and B – 60% PubG-2010 General Employee Amount-Weighted Below Median and 40% of PubG-2010 General Employee Amount-Weighted, with generational projection using scale MP-2021. Group C – PubG-2010 General Employee Amount-Weighted, with generational projection using scale MP-2021. Group D – PubS-2010 Public Safety Employee Amount-Weighted Below Median, with generational projection using scale MP-2021.

Healthy Post-Retirement – Retirees – Groups A and B – PubG-2010 General Healthy Retiree Amount-Weighted Below Median Table with credibility adjustments of 90% and 87% for the Male and Female tables, respectively, with generational projection using scale MP-2021. Group C – PubG-2010 General Healthy Retiree Amount-Weighted Table, with generational projection using scale MP-2021. Group D – PubS-2010 Public Safety Retiree Amount-Weighted Below Median Table, with generational projection using scale MP-2021.

Healthy Post-Retirement – Beneficiaries – All Groups – Pub-2010 Contingent Survivor Amount-Weighted Below Median Table, with generational projection using scale MP-2021.

Disabled Post-Retirement – Groups A, B and C – PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Table, with generational projection using scale MP-2021. Group D – PubS-2010 Safety Disabled Retiree Amount-Weighted Table, with generational projection using scale MP-2021.

Age of Spouse – Females three (3) 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.

Determination of Discount Rate and Investment Rates of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns 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 adding expected inflation. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
US Agg Fixed Income	19%	1.70%
TIPS	2%	1.70%
Large/Mid Cap US Equity	4%	4.20%
Small Cap US Equity	3%	4.70%
Developed Large/Mid Cap International Equity	5%	5.95%
Global Equity	32%	5.25%
Core Real Estate	3%	3.45%
Non-Core Real Estate	4%	5.70%
Private Credit	11%	5.70%
Private Equity	11%	7.45%
Private Core Infrastructure	4%	4.95%
Agriculture/Farmland	2%	3.95%

Discount Rate – The long-term expected rate of return on pension plan investments is 7.00%. The high quality tax-exempt general obligation municipal bond rate (20-Bond GO Index) as of the closest date prior to the valuation date of June 30, 2024, is 3.93%, as published by The Bond Buyer.

The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2024. 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). 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. 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 as of June 30, 2024.

Discount Rate Sensitivity

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the Town's proportionate share of the net pension liability as of June 30, 2024, calculated using the discount rate of 7.00%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
$8,786,006	$5,746,795	$3,252,288

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 2025 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 $7,833,860 while its covered payroll for this plan was $265,990. During the year ended June 30, 2025, the City contributed $42,558 to the Plan. Employees are 20% percent vested after two years of services and the vested portion increases 20% each year until fully vested after six years of service. All of the investments are self-directed by each employee.

Deferred Compensation Plan

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

B. Risk Management

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

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

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, 2025, property taxes became due and payable on September 16, 2024, November 15, 2024, February 17, 2025 and May 15, 2025. 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 2025 were as follows:

	Homestead	Non-Homestead
Education	1.4167	1.8155
Municipal	2.1147	2.1147
Local Agreement	0.0056	0.0056
Total	3.5370	3.9358

D. Gift Annuity

The City receives an annual payment of approximately $60,000 in perpetuity from a gift annuity established by the late Charles Semprebon through the Vermont Community Foundation. The City is the sole beneficiary of the annuity which there is a preference, but it is not limited, to be spent on improvements to infrastructure such as public roads, bridges and buildings.

E. 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 are currently pending claims against the City where the City's insurance carrier is providing defense. The City is vigorously defending the claims. The City and the insurer do not believe that the claims could exceed the insurance policy limits in the event of unfavorable rulings.

F. 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.

G. 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;

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-l 0 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 position of the taxes to the Applicant's Project.

E. A termination and rollback clause shall be included in the Stabilization Agreement providing for termination of the Stabilization Agreement by the City Council and repayment of all taxes that would have been due in the absence of a Stabilization Agreement plus applicable penalties and interest proscribed below, required to be repaid effective as of the date of final determination made by the City Council hereunder. This termination and rollback clause may be invoked by the City Council upon the recommendation of the City Assessor or Barre City Manager in the event that during the term of the Stabilization Agreement:

1. There is a material change in the use of the property or in the nature of the Project;

2. The property or Project is sold or transferred to any person other than the original Applicant or Applicants, is abandoned, moved, or the Applicant files for bankruptcy;

3. The Project does not comply with the terms of the Agreement, or the Project is not completed as it was presented during the application process;

4. Property tax payments on the property become delinquent;

5. The Project fails to comply with any zoning, building, plumbing, electrical, life safety codes or ordinances;

6. The Agreement is terminated at the request of the Project owner/Applicant.

During the fiscal year ended June 30, 2025, the City had two (2) tax stabilization contracts in effect with a total impact of $4,331 and one (1) voter approved tax exemption in effect with a total impact of $4,089, which was spread over all other taxable properties. In addition, the City also had veterans' exemptions totaling $20,018, which was also spread over all other taxable properties. The impact on education taxes was $28,438, which was taken into consideration when calculating the local agreement tax rate.

H. 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 2026 due to the financial constraints experienced by the City as a result of the July, 2023 flood event. The remaining payment is as follows:

2026	$104,021

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	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
General Tax Revenue:			
General Taxes	$ 10,143,583	$ 9,841,542	$ (302,041)
Washington County Tax	43,569	43,569	0
Voter Approved Assistance	111,200	111,200	0
Total General Tax Revenue	10,298,352	9,996,311	(302,041)
Business Licenses:			
Liquor Licenses	3,000	3,260	260
Miscellaneous Licenses	800	143	(657)
Vehicle for Hire Licenses	200	189	(11)
Trucking, Rubbish and Waste	6,000	6,634	634
Entertainment	3,000	3,041	41
Cannabis Licenses	400	100	(300)
Total Business Licenses	13,400	13,367	(33)
Payment in Lieu of Taxes:			
Capstone	26,137	19,889	(6,248)
Barre Housing	58,000	59,763	1,763
State of Vermont	304,252	296,624	(7,628)
Total Payment in Lieu of Taxes	388,389	376,276	(12,113)
Fees and Franchises:			
Animal Control Licenses	5,800	4,990	(810)
Tax Equalization	0	3,333	3,333
Hold Harmless	0	8,511	8,511
Act 68 Administration Revenue	15,500	16,400	900
Building and Zoning Fees	45,000	56,871	11,871
Vehicle Registrations	200	125	(75)
Delinquent Tax Collector Fee	42,000	55,416	13,416
Parking Meters	85,000	97,650	12,650
Green Mountain Passports	50	62	12
Parking Permits	80,000	65,894	(14,106)
Marriage Licenses	850	660	(190)
Miscellaneous Income	800	986	186
Loan Repayment	0	29,819	29,819
Police Department Fees	5,000	4,335	(665)
Recording Fees	90,000	81,050	(8,950)
Recreation Fees	4,100	3,168	(932)
Swimming Pool Admissions/DAY CAMP	19,000	21,107	2,107
Vault Fees	1,000	1,341	341

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Fees and Franchises/(Cont'd):			
Fire Alarm Maintenance Fees	$ 14,525	$ 14,350	$ (175)
Rental Property Registration	113,390	117,660	4,270
Delinquent Rental Permits	500	64	(436)
Burn Permits	4,000	3,680	(320)
Credit Card Processing Fees	13,000	18,015	5,015
FD Public Report Fee	100	100	0
Time of Sale Inspection Fees	3,500	740	(2,760)
Vacant Building Registration	5,000	3,300	(1,700)
Excavation Permits	5,000	10,409	5,409
Overweight Permits	600	235	(365)
Total Fees and Franchises	553,915	620,271	66,356
Fines and Penalties:			
City Ordinance Violations	4,000	11,800	7,800
Penalties and Interest on Miscellaneous Fines	2,000	1,294	(706)
Delinquent Tax Interest	29,000	38,318	9,318
Traffic Court	10,000	9,077	(923)
Parking Tickets	25,000	22,339	(2,661)
Total Fines and Penalties	70,000	82,828	12,828
Federal and State Aid:			
Opioid Settlement Transfer (2038)	8,000	8,000	0
Highway Aid	146,278	155,157	8,879
Police Grants	3,000	1,555	(1,445)
State SIU Grant	60,000	30,000	(30,000)
Total Federal and State Aid	217,278	194,712	(22,566)
Rents and Leases:			
BOR Turf Rentals	25,025	10,725	(14,300)
Auditorium	60,000	64,819	4,819
Alumni Rental/lease	9,750	8,545	(1,205)
BOR Rents and Leases	125,143	129,286	4,143
Special Projects - Custodial Fees	9,500	13,340	3,840
Miscellaneous Rents	0	370	370
Total Rents and Leases	229,418	227,085	(2,333)

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Charges for Services:			
Ambulance Inc - Lift Assist	$ 550,000	$ 831,781	$ 281,781
Enterprise Funds	1,079,289	1,079,289	0
Dispatch Services	77,778	77,778	0
School Resource Officers	89,396	95,666	6,270
Special Projects - Police Detail	20,000	16,238	(3,762)
Special Projects - Fire Detail	8,500	9,965	1,465
Total Charges for Services	1,824,963	2,110,717	285,754
Cemetery Revenue:			
Rents	5,907	5,910	3
Flower Trust Fund Transfer	500	500	0
Trust Fund Interest	25,000	25,000	0
Entombments	1,000	16,660	15,660
Foundations	10,545	10,822	277
Interments	83,525	72,204	(11,321)
Markers/Post	2,500	2,280	(220)
Tent Setups	300	0	(300)
Lot Sales	25,000	19,733	(5,267)
Tours/DVD Sales	1,500	525	(975)
Cemetery Mausoleum Fund	1,500	1,500	0
Total Cemetery Revenue	157,277	155,134	(2,143)
Miscellaneous Revenue:			
Interest Income	10,000	76,056	66,056
Transfers from Other Funds	48,389	48,389	0
Semprebon Annuity	62,400	59,304	(3,096)
Total Miscellaneous Revenue	120,789	183,749	62,960
Total Revenues	13,873,781	13,960,450	86,669

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	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Expenditures:			
Administrative and General:			
Personnel Services	$ 8,000	$ 4,625	$ 3,375
FICA	612	712	(100)
Consulting Services	0	4,710	(4,710)
City Council's Expenses	17,000	9,214	7,786
Telephone	52,222	92,868	(40,646)
Office Machines Maintenance	12,470	11,539	931
Single Audit	10,000	0	10,000
Annual Audit	29,200	34,400	(5,200)
City Report	5,550	5,380	170
Dues/Membership Fees	26,471	26,471	0
Holiday Observance	2,000	5,775	(3,775)
Postage Meter Contract	1,887	2,783	(896)
Advertising/Printing	20,000	21,412	(1,412)
Office Machines Supplies	12,277	11,867	410
Postage For Meter	17,500	19,807	(2,307)
Email Licenses	9,046	10,004	(958)
Software/City Hall	41,870	37,146	4,724
Printer/City Hall	6,025	7,498	(1,473)
Interpretive Services	1,000	0	1,000
Communications Program	5,120	5,000	120
Computer Replacement Program	14,100	7,505	6,595
Total Administrative and General	292,350	318,716	(26,366)
Assessor:			
Personnel Services	64,157	65,011	(854)
Contracted Assessor	100,000	61,550	38,450
FICA	4,908	5,249	(341)
Training and Development	750	0	750
Equipment Purchase/SW Licenses	11,000	11,826	(826)
Glasses	200	274	(74)
Total Assessor	181,015	143,910	37,105
Legal Expenses:			
Professional Services - City Attorney	50,000	25,984	24,016
Professional Services - Labor	2,500	13,332	(10,832)
Contract Negotiations	15,000	12,365	2,635
Total Legal Expenses	67,500	51,681	15,819

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City Manager:			
Personnel Services	$ 227,324	$ 232,343	$ (5,019)
FICA	21,279	17,788	3,491
IT Contract	1,000	0	1,000
Website Vendor Maintenance	2,100	2,000	100
Network HW/SW Expenses	200	1,558	(1,358)
IT Expenses	6,916	4,072	2,844
Training/Development	1,000	1,538	(538)
Manager's Expenses	250	1,164	(914)
Secure Shred	625	1,046	(421)
Dues/Memberships	550	0	550
Car Maintenance and Supplies	2,760	2,760	0
Glasses	570	143	427
Total City Manager	264,574	264,412	162
Finance:			
Personnel Services	327,022	299,670	27,352
Overtime Allowance	0	465	(465)
FICA	25,017	22,493	2,524
Consultant Fees	0	10,413	(10,413)
Training/Development	1,000	178	822
Travel/Meals	200	0	200
Equipment Purchase Contract	5,630	5,670	(40)
Glasses	565	730	(165)
Computer Forms	500	465	35
Annual Disaster Recovery	590	674	(84)
Total Finance	360,524	340,758	19,766
Elections:			
Personnel Services	7,000	7,362	(362)
Program Materials	5,000	15,796	(10,796)
BCA Expenses	500	0	500
Total Elections	12,500	23,158	(10,658)

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Clerk's Office:			
Personnel Services	$ 200,622	$ 213,258	$ (12,636)
Overtime Allowance	0	3,077	(3,077)
FICA	15,348	15,933	(585)
Contracted Services	10,000	41	9,959
Training/Development	1,500	235	1,265
Travel/Meals	500	84	416
Maintenance of Office Machines	200	1,760	(1,560)
Recording of Records	13,000	14,423	(1,423)
Credit Card Expenses	13,000	24,400	(11,400)
Glasses	753	181	572
Program Materials	3,800	8,100	(4,300)
Total Clerk's Office	258,723	281,492	(22,769)
Animal Control:			
Professional Services/Fees	1,500	2,526	(1,026)
Humane Society Fees	5,000	0	5,000
Total Animal Control	6,500	2,526	3,974
Fire Department:			
Regular Salaries	1,561,656	1,566,086	(4,430)
Overtime Salaries	265,542	297,536	(31,994)
Part-Time Employees	1,700	432	1,268
FICA	139,911	138,081	1,830
Consulting Fees	3,750	5,700	(1,950)
Ambulance Revenue Tax	18,150	17,943	207
Training/Development	5,250	5,645	(395)
Emgt Training/Development	5,300	783	4,517
Travel/Meals	700	556	144
Paramedic Training	15,000	10,444	4,556
Dues/Membership Fees	2,500	1,416	1,084
Fire Radio System Upgrade	6,256	6,256	0
Physicals	4,000	4,944	(944)
Breathing Apparatus	15,000	4,379	10,621
Fire Hose	5,000	4,553	447
Radios/Pagers	5,000	2,396	2,604

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Fire Department/(Cont'd):			
Car and Truck Maintenance	$ 33,000	$ 33,935	$ (935)
Radio Repair	3,000	2,718	282
Fire Alarm Maintenance	4,000	3,655	345
Vehicle Replacement	5,000	0	5,000
Fuel Oil	200	124	76
Vehicle Fuel	24,180	17,733	6,447
Clothing	17,500	12,119	5,381
Safety Equipment	20,000	22,800	(2,800)
Footwear	4,000	3,332	668
Glasses	1,615	1,338	277
Building Appliances - Updates	750	775	(25)
Ambulance Bill Mailers	2,400	813	1,587
Ambulance Contract Billing	54,000	59,757	(5,757)
Medical Supplies and Equipment	30,000	76,039	(46,039)
Oxygen	3,000	3,072	(72)
Training Supplies	1,200	567	633
Defibrillator Preventative Maintenance	18,331	3,123	15,208
Fire Prevention Program	250	290	(40)
Computer Software/Office Equipment	25,500	24,425	1,075
Total Fire Department	2,302,641	2,333,765	(31,124)
City Hall Maintenance:			
Personnel Services	46,956	10,130	36,826
FICA	3,592	804	2,788
City Hall Electricity	9,306	11,589	(2,283)
City Hall Solar Project	7,607	7,556	51
Rubbish Removal	3,300	3,361	(61)
Water Bills	2,500	3,240	(740)
City Hall Improvements/Repairs	30,000	52,319	(22,319)
Fuel Oil	42,500	43,913	(1,413)
Clothing	750	0	750
Footware	100	0	100
Glasses	100	0	100
Custodial Supplies	1,500	1,717	(217)
Building/Grounds Supplies	1,500	3,649	(2,149)
Total City Hall Maintenance	149,711	138,278	11,433

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Meters:			
Personnel Services	$ 79,676	$ 73,831	$ 5,845
FICA	6,095	5,829	266
Electricity - Merchant's Row	2,000	1,810	190
Charge Point Contract & Maintenance	0	80	(80)
Towing Fees	4,000	12,550	(8,550)
MIFI	1,500	1,084	416
Meter Maintenance	3,000	1,372	1,628
Clothing	500	0	500
Footware	350	250	100
Glasses	185	230	(45)
Meter Supplies	3,500	4,497	(997)
Meter Systems - Software	4,500	4,463	37
Program Materials	1,100	1,127	(27)
Meter Handhelds Replacement	4,000	0	4,000
Total Meters	110,406	107,123	3,283
Police Department:			
Regular Salaries	1,512,250	1,367,516	144,734
Mental Health Clinician	27,500	18,750	8,750
Part-Time Officers	6,485	5,587	898
Overtime	280,793	274,745	6,048
Training Payroll	53,505	29,705	23,800
Community Outreach Advocate	62,466	62,613	(147)
FICA	146,536	135,561	10,975
Professional Services - Legal	1,000	0	1,000
Training and Development	12,250	8,030	4,220
Travel and Meals	3,500	3,534	(34)
Computer Access	8,000	7,585	415
Office Machines Maintenance	13,615	5,154	8,461
Physicals	500	933	(433)
Car Maintenance	25,500	15,214	10,286
Radio Repair	1,000	0	1,000
Body Cameras/Taser Bundle	20,817	19,635	1,182
Vehicle Fuel	27,416	19,546	7,870
Clothing	12,500	12,914	(414)

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Police Department/(Cont'd):			
Equipment - Safety	$ 13,000	$ 35,058	$ (22,058)
Ammunition	10,000	9,956	44
Footwear	2,800	2,866	(66)
Glasses	1,000	370	630
PD Security Equipment	1,000	1,924	(924)
Office Supplies	4,500	1,870	2,630
Training Supplies	2,000	581	1,419
Juvenile Program	500	0	500
K-9 Program	3,700	2,290	1,410
Investigations Materials	6,000	6,419	(419)
Total Police Department	2,260,133	2,048,356	211,777
Dispatch Services:			
Regular Salaries	442,427	425,673	16,754
Overtime	94,206	91,244	2,962
Training Payroll	1,500	0	1,500
Part-Time Dispatchers	35,514	24,214	11,300
FICA	43,884	41,456	2,428
Training/Development	2,000	2,821	(821)
Travel/Meals	1,000	102	898
Computer Access	21,000	17,917	3,083
Office Machine Maintenance	4,500	4,125	375
Radio Maintenance	3,000	3,738	(738)
Tower Rental Fee	2,087	2,087	0
Glasses	700	727	(27)
Office Supplies/Equipment	2,000	1,205	795
Dispatch Capital Transfer	25,000	25,000	0
Total Dispatch Services	678,818	640,309	38,509
Street Lighting:			
Electricity	156,745	175,669	(18,924)
Total Street Lighting	156,745	175,669	(18,924)
Traffic Control:			
Traffic Light Electricity	8,000	6,954	1,046
Traffic Light Maintenance	24,500	10,010	14,490
Total Traffic Control	32,500	16,964	15,536

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Aldrich Library:	$ 280,872	$ 280,872	$ 0
Facilities:			
Personnel Services	81,936	70,133	11,803
FICA	6,268	5,294	974
Travel & Meals	0	350	(350)
Electricity - 135N Main	1,000	0	1,000
Water Bills	3,000	739	2,261
Car/Truck Maintenance	1,500	1,929	(429)
Field Maintenance	6,000	5,251	749
Building Maintenance	7,500	5,295	2,205
Vehicle Fuel	6,170	4,013	2,157
Footwear	200	0	200
Glasses	190	0	190
Equipment Outlay	1,500	19,213	(17,713)
Total Facilities	115,264	112,217	3,047
Auditorium:			
Personnel Services	105,646	145,530	(39,884)
Overtime	1,400	6,226	(4,826)
FICA	8,189	11,519	(3,330)
Electricity	9,500	13,107	(3,607)
Solar Project	16,187	13,724	2,463
Rubbish Removal	6,000	9,577	(3,577)
Water Bills	3,300	4,160	(860)
IT	4,800	312	4,488
Building and Grounds Maintenance	17,000	34,436	(17,436)
Annex Maintenance	6,000	11,768	(5,768)
Fuel Oil	42,000	30,545	11,455
Bottled Gas	4,500	3,519	981
Clothing	1,500	3,557	(2,057)
Footwear	400	460	(60)
Glasses	400	0	400
Custodial Supplies	4,000	2,645	1,355
Machines/Equipment Outlay	2,000	329	1,671
Total Auditorium	232,822	291,414	(58,592)

CITY OF BARRE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
BOR:			
Personnel Services	$ 102,536	$ 103,166	$ (630)
Overtime	1,000	7,266	(6,266)
FICA	7,921	8,584	(663)
Electricity	24,753	19,660	5,093
Solar Project	24,284	20,587	3,697
Water Bills	14,740	20,471	(5,731)
Building/Grounds Maintenance	22,000	66,421	(44,421)
Bottled Gas	13,000	13,046	(46)
Clothing	1,500	1,120	380
Footwear	400	532	(132)
Glasses	400	1,402	(1,002)
Custodial Supplies	2,000	324	1,676
Computer	4,045	2,850	1,195
Supplies/Equipment	8,500	2,658	5,842
Total BOR	227,079	268,087	(41,008)
Public Safety Building:			
Personnel Services	48,048	34,618	13,430
Overtime	0	96	(96)
FICA	3,675	2,654	1,021
Electricity	16,492	20,202	(3,710)
Solar Project	17,496	18,506	(1,010)
Rubbish Removal	4,100	4,682	(582)
Water Bills	4,900	5,856	(956)
Buildings and Grounds Maintenance	30,000	35,010	(5,010)
Fuel Oil	1,220	0	1,220
Bottled Gas	22,475	18,614	3,861
Clothing	750	530	220
Footwear	100	456	(356)
Glasses	95	0	95
Custodial Supplies	3,000	1,796	1,204
Total Public Safety Building	152,351	143,020	9,331

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CITY OF BARRE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Recreation:			
Skateguard Personnel	$ 3,000	$ 3,096	$ (96)
Pool Personnel	26,817	39,391	(12,574)
FICA	2,157	3,395	(1,238)
Training and Development	1,500	0	1,500
Travel and Meals	300	166	134
Pool Electricity	3,000	4,598	(1,598)
Pool Water and Sewer	5,500	9,883	(4,383)
Dues, Memberships and Fees	400	0	400
Pool Equipment	1,200	356	844
Playground Maintenance	0	1,936	(1,936)
Tennis Court Equipment	300	0	300
Pool Building Maintenance	4,500	10,154	(5,654)
Glasses	190	0	190
Recreation Supplies	2,250	2,556	(306)
Recreation Programs	4,100	1,370	2,730
Total Recreation	55,214	76,901	(21,687)
Sanitary Landfill:			
CVSWD Assessment	8,457	8,430	27
Total Sanitary Landfill	8,457	8,430	27
Engineering:			
Personnel Services	313,484	249,881	63,603
FICA	23,982	18,676	5,306
Professional Services	0	1,640	(1,640)
Training and Development	0	14,042	(14,042)
Travel and Meals	100	103	(3)
Office Machines Maintenance	500	140	360
Engineering Equipment	3,600	1,788	1,812
Radio Maintenance	250	106	144
Clothing	500	0	500
Footwear	500	432	68
Glasses	740	0	740
Office Supplies/Equipment	0	496	(496)
Total Engineering	343,656	287,304	56,352

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CITY OF BARRE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Permitting, Planning and Inspections:			
Personnel Services	$ 203,351	$ 148,992	$ 54,359
Overtime	1,000	796	204
Contracted Services	14,061	0	14,061
FICA	15,314	11,206	4,108
Professional Services	20,000	1,180	18,820
Training and Development	500	420	80
Travel and Meals	150	45	105
Dues and Memberships	100	0	100
Glasses	380	303	77
Computer Equipment/Software	7,800	7,800	0
Total Permitting, Planning and Inspections	262,656	170,742	91,914
Community Development:			
Barre Partnership	70,000	70,000	0
Barre Area Development	60,853	60,853	0
Green Mountain Transit	38,401	38,401	0
Main Street Maintenance	1,200	758	442
Total Community Development	170,454	170,012	442
Public Parks and Trees - Maintenance:			
Electricity - Currier	900	728	172
Public Parks Tree Maintenance	0	1,097	(1,097)
Total Public Parks and Trees - Maintenance	900	1,825	(925)
Street Department - Public Works:			
Personnel Services	716,277	663,181	53,096
Overtime	41,165	43,394	(2,229)
FICA	57,944	53,354	4,590
Claims/Deductibles	2,000	2,000	0
Consultant Services	3,000	7,354	(4,354)
Storm Water Permit	4,500	13,969	(9,469)
Training/Development	4,500	407	4,093
Travel and Meals	0	278	(278)
Electricity	9,500	7,258	2,242
Rubbish Removal	4,000	5,122	(1,122)
Equipment Rental - Snow	5,000	5,565	(565)
Equipment Rental - Streets	3,000	10,354	(7,354)
Snow Damage - Vehicles	2,000	5,697	(3,697)
Snow Damage - Plows	2,500	2,629	(129)
Barricades - Lights	1,000	0	1,000
Culverts - Surface Sewer	3,862	0	3,862

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CITY OF BARRE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Street Department - Public Works/(Cont'd):			
Guardrails	$ 6,000	$ 0	$ 6,000
Tiles and Grates - Surface Sewer	10,000	0	10,000
Radio Maintenance	1,000	4,564	(3,564)
Building and Grounds Maintenance	12,000	14,702	(2,702)
Equipment Maintenance - Streets	30,000	36,319	(6,319)
Snow Equipment Maintenance	25,000	20,730	4,270
Truck Maintenance - Streets	73,500	59,484	14,016
Bridge Maintenance	3,000	2,845	155
Street Painting	9,000	9,420	(420)
Yard Waste	11,215	14,609	(3,394)
Roadside Mowing	6,000	5,600	400
Bulk Waste Removal Fees	10,000	14,517	(4,517)
Fuel Oil - Garage	28,534	22,722	5,812
Vehicle Fuel	75,164	81,360	(6,196)
Bottled Gas	500	99	401
Vehicle Grease/Oil	4,000	1,207	2,793
Clothing	12,000	7,035	4,965
Equipment - Safety	2,000	5,220	(3,220)
Footwear	2,720	2,935	(215)
Glasses	800	0	800
Small Tools	2,500	3,392	(892)
Supplies - Garage	15,000	21,356	(6,356)
Supplies - Sidewalks	17,000	7,515	9,485
Supplies - NSC	3,000	1,119	1,881
Supplies - Surface Sewer	18,722	23,169	(4,447)
Supplies - Streets	7,500	29,807	(22,307)
Supplies - Snow Removal	5,000	0	5,000
Asphalt - Sidewalks	2,000	424	1,576
Bituminous Hot Mix - Streets	12,500	34,501	(22,001)
Bituminous Hot Mix - Surface Sewer	1,500	0	1,500
Chloride - Snow	250	0	250
Concrete - Sidewalks	3,500	0	3,500
Gravel - Streets	1,000	0	1,000
Kold Patch - Streets	6,200	2,062	4,138
Salt - Snow	170,000	195,900	(25,900)
Sand - Snow	13,000	7,812	5,188
Sand - Surface Sewer	1,000	0	1,000
Street Signs	10,000	10,396	(396)
Street Light Maintenance	250	26,405	(26,155)
State Agency of Transportation Projects	1,000	0	1,000
Computer Equipment/Software	10,500	8,000	2,500
Total Street Department - Public Works	1,484,103	1,495,788	(11,685)
Cemetery:			
Personnel Services	159,482	143,953	15,529
Overtime	500	80	420
FICA	12,239	11,514	725

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CITY OF BARRE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Cemetery:			
Electricity - Office	$ 500	$ 734	$ (234)
Car/Truck Maintenance	1,200	823	377
Building Maintenance - Hope	1,500	2,940	(1,440)
Mausoleum Maintenance	1,500	1,500	0
Building/Ground Maintenance - Elmwood	2,500	474	2,026
Contracted Services	0	150	(150)
Hope Maintenance	5,000	4,465	535
St Monica Maintenance	1,500	186	1,314
Grounds & Buildings	1,200	1,326	(126)
Equipment Maintenance	2,000	1,512	488
Fuel Oil - Office	1,147	896	251
Vehicle Fuel	7,762	3,783	3,979
Clothing	1,000	0	1,000
Equipment - Safety	200	0	200
Footwear	200	230	(30)
Glasses	190	498	(308)
Cemetery Flowers	5,000	3,514	1,486
Foundations	5,000	6,093	(1,093)
Machine/Equipment	0	9,089	(9,089)
Total Cemetery	209,620	193,760	15,860
Transfer to Capital Improvement Fund:	0	50,000	(50,000)
Insurance:			
Health Insurance	1,413,973	1,355,015	58,958
Life Insurance	53,441	45,268	8,173
Dental Insurance	37,748	31,405	6,343
Total Insurance	1,505,162	1,431,688	73,474
City Pension Plan:			
City Pension Plan	699,812	671,165	28,647
Consultant Services	3,000	1,263	1,737
Total City Pension Plan	702,812	672,428	30,384
Debt Service:			
Principal Payments	585,864	585,862	2
Interest Expense	123,461	113,507	9,954
Total Debt Service	709,325	699,369	9,956
General Insurance:			
Worker's Compensation	524,020	492,788	31,232
Unemployment Insurance	15,700	14,336	1,364
Property and Casualty	339,050	359,789	(20,739)
Total General Insurance	878,770	866,913	11,857

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CITY OF BARRE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Washington County Tax:	$ 43,569	$ 37,973	$ 5,596
Voter Approved Assistance:	111,200	111,200	0
Special Projects:			
Special Projects - FICA	2,908	2,113	795
Special Projects - Custodial	9,500	6,278	3,222
Special Projects - Fire	8,500	7,071	1,429
Special Projects - Police	20,000	14,555	5,445
Total Special Projects	40,908	30,017	10,891
Miscellaneous Expenses:			
Granite Museum Parking Lot	18,300	13,364	4,936
City Committee Funding	1,500	73	1,427
Front Porch Forum Support	250	250	0
Homelessness Support	10,920	7,324	3,596
Bank Fees/Miscellaneous Expenses	3,000	3,138	(138)
BCJC Stipend	7,577	7,577	0
Semprebon VCF Trust Projects	62,400	59,304	3,096
Wellness Initiatives	0	265	(265)
Non-Billable Special Projects - Personnel	0	8,614	(8,614)
FEMA Match	100,000	0	100,000
Total Miscellaneous Expenses	203,947	99,909	104,038
Total Expenditures	14,873,781	14,386,986	486,795
Excess/(Deficiency) of Revenues Over Expenditures	$ (1,000,000)	(426,536)	$ 573,464
Adjustments to Reconcile from the Budgetary Basis of Accounting to the Modified Accrual Basis of Accounting:			
Unbudgeted Sewer Fund Capital Asset Charge		58,872	
Unbudgeted Insurance Proceeds		610	
Unbudgeted Transfer from Other Funds - ARPA		1,266,079	
Unbudgeted State/Federal Flood Damage Assistance		1,584,677	
Unbudgeted Special Projects - Prospect Heights		(47,771)	
Unbudgeted Special Projects - 277 Morrison Road		(500,000)	
Unbudgeted Special Projects - Homeless Liaison		(64,920)	
Unbudgeted Flood Damage Expenses		(311,858)	
Net Change in Fund Balance		1,559,153	
Fund Balance - July 1, 2024		2,163,811	
Fund Balance - June 30, 2025		$ 3,722,964	

The reconciling items are due to unbudgeted special projects, transfer of ARPA Funds, and flood damage expenses and related funding.

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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, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Plan Net Pension Liability	$ 332,147,666	$ 320,293,753	$ 303,371,956	$ 147,184,198	$ 252,974,064	$ 173,491,807	$ 140,675,892	$ 121,155,552	$ 128,696,167	$ 77,095,810
City's Proportion of the Net Pension Liability	1.7302%	1.7968%	1.9151%	2.0050%	1.9317%	2.0460%	2.0260%	2.1746%	2.1660%	2.0470%
City's Proportionate Share of the Net Pension Liability	$ 5,746,795	$ 5,754,924	$ 5,809,772	$ 2,951,037	$ 4,886,581	$ 3,549,718	$ 2,850,045	$ 2,634,616	$ 2,787,514	$ 1,578,171
City's Covered Employee Payroll	$ 7,344,439	$ 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
City's Proportionate Share of the Net Pension Liability as a Percentage of City's Covered Employee Payroll	78.2469%	84.5835%	87.9662%	46.3655%	83.0169%	60.2126%	52.5074%	48.7238%	55.4900%	35.2481%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.22%	74.01%	73.60%	86.29%	74.52%	80.35%	82.60%	83.64%	80.95%	87.42%

Notes to Schedule

Benefit Changes: None.

Changes in Assumptions and Methods: None.

Changes in Plan Provisions: At the May, 2024 Board meeting, the Board voted unanimously to authorize employer contribution rate increases of 0.25% each year for a period of four years, beginning July 1, 2026. Also in May, 2024, the Legislature passed H.883, which included an increase in the member rate of 0.25% for each group for four years, beginning July 1, 2026.

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CITY OF BARRE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
VMERS DEFINED BENEFIT PLAN
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution (Actuarially Determined)	$ 651,614	$ 570,894	$ 512,088	$ 479,149	$ 445,778	$ 400,343	$ 442,236	$ 406,810	$ 355,127	$ 329,193
Contributions in Relation to the Actuarially Determined Contributions	651,614	570,894	512,088	479,149	445,778	400,343	442,236	406,810	355,127	329,193
Contribution Excess/(Deficiency)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
City's Covered Employee Payroll	$ 7,833,860	$ 7,344,439	$ 6,803,835	$ 6,604,554	$ 6,364,720	$ 5,886,247	$ 5,895,306	$ 5,427,897	$ 5,407,251	$ 5,023,450
Contributions as a Percentage of City's Covered Employee Payroll	8.318%	7.773%	7.526%	7.255%	7.004%	6.801%	7.501%	7.495%	6.568%	6.553%

Notes to Schedule

Valuation Date: June 30, 2024

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CITY OF BARRE, VERMONT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery Trust Fund	Total
ASSETS				
Cash	$ 494,803	$ 678,707	$ 16,922	$ 1,190,432
Investments	488,193	0	1,212,001	1,700,194
Due from Other Funds	0	35,402	0	35,402
Total Assets	$ 982,996	$ 714,109	$ 1,228,923	$ 2,926,028
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 1,272	$ 5,483	$ 0	$ 6,755
Due to Other Funds	210,212	21,729	20,013	251,954
Total Liabilities	211,484	27,212	20,013	258,709
Fund Balances:				
Nonspendable	0	0	839,763	839,763
Restricted	771,512	651,495	369,147	1,792,154
Assigned	0	35,402	0	35,402
Total Fund Balances	771,512	686,897	1,208,910	2,667,319
Total Liabilities and Fund Balances	$ 982,996	$ 714,109	$ 1,228,923	$ 2,926,028

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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, 2025

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery Trust Fund	Total
Revenues:				
Property Taxes	$ 0	$ 354,393	$ 0	$ 354,393
Intergovernmental	520,113	0	0	520,113
Charges for Services	0	5,775	5,457	11,232
Investment Income	41,748	4,953	103,577	150,278
Total Revenues	561,861	365,121	109,034	1,036,016
Expenditures:				
General Government	0	31,728	0	31,728
Public Safety	2,783	0	0	2,783
Culture and Recreation	59,190	9,060	0	68,250
Community Development	500,000	0	0	500,000
Debt Service:				
Principal	0	88,000	0	88,000
Interest	0	55,541	0	55,541
Total Expenditures	561,973	184,329	0	746,302
Excess/(Deficiency) of Revenues Over Expenditures	(112)	180,792	109,034	289,714
Other Financing Sources/(Uses):				
Transfers In	59,304	5,000	0	64,304
Transfers Out	(15,000)	0	(27,000)	(42,000)
Total Other Financing Sources/(Uses)	44,304	5,000	(27,000)	22,304
Net Change in Fund Balances	44,192	185,792	82,034	312,018
Fund Balances - July 1, 2024	727,320	501,105	1,126,876	2,355,301
Fund Balances - June 30, 2025	$ 771,512	$ 686,897	$ 1,208,910	$ 2,667,319

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CITY OF BARRE, VERMONT
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025

	Community Development Fund	Drug Forfeiture Fund	Semprebon Fund	Total
ASSETS				
Cash	$ 2,839	$ 69,884	$ 422,080	$ 494,803
Investments	0	0	488,193	488,193
Total Assets	$ 2,839	$ 69,884	$ 910,273	$ 982,996
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 0	$ 0	$ 1,272	$ 1,272
Due to Other Funds	0	2,783	207,429	210,212
Total Liabilities	0	2,783	208,701	211,484
Fund Balances:				
Restricted	2,839	67,101	701,572	771,512
Total Fund Balances	2,839	67,101	701,572	771,512
Total Liabilities and Fund Balances	$ 2,839	$ 69,884	$ 910,273	$ 982,996

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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, 2025

	Community Development Fund	Drug Forfeiture Fund	Semprebon Fund	Total
Revenues:				
Intergovernmental	$ 500,000	$ 20,113	$ 0	$ 520,113
Investment Income	0	79	41,669	41,748
Total Revenues	500,000	20,192	41,669	561,861
Expenditures:				
Public Safety	0	2,783	0	2,783
Culture and Recreation	0	0	59,190	59,190
Community Development	500,000	0	0	500,000
Total Expenditures	500,000	2,783	59,190	561,973
Excess/(Deficiency) of Revenues Over Expenditures	0	17,409	(17,521)	(112)
Other Financing Sources/(Uses):				
Transfers In	0	0	59,304	59,304
Transfers Out	0	0	(15,000)	(15,000)
Total Other Financing Sources/(Uses)	0	0	44,304	44,304
Net Change in Fund Balances	0	17,409	26,783	44,192
Fund Balances - July 1, 2024	2,839	49,692	674,789	727,320
Fund Balances - June 30, 2025	$ 2,839	$ 67,101	$ 701,572	$ 771,512

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CITY OF BARRE, VERMONT
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2025

	Shade Tree Improvement Fund	TIF Fund	BOR Turf Fund	Total
ASSETS				
Cash	$ 0	$ 678,707	$ 0	$ 678,707
Due from Other Funds	26,133	0	9,269	35,402
Total Assets	$ 26,133	$ 678,707	$ 9,269	$ 714,109
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 0	$ 5,483	$ 0	$ 5,483
Due to Other Funds	0	21,729	0	21,729
Total Liabilities	0	27,212	0	27,212
Fund Balances:				
Restricted	0	651,495	0	651,495
Assigned	26,133	0	9,269	35,402
Total Fund Balances	26,133	651,495	9,269	686,897
Total Liabilities and Fund Balances	$ 26,133	$ 678,707	$ 9,269	$ 714,109

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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, 2025

	Shade Tree Improvement Fund	TIF Fund	BOR Turf Fund	Total
Revenues:				
Property Taxes	$ 0	$ 354,393	$ 0	$ 354,393
Charges for Services	0	0	5,775	5,775
Investment Income	0	4,953	0	4,953
Total Revenues	0	359,346	5,775	365,121
Expenditures:				
General Government	0	31,728	0	31,728
Culture and Recreation	9,060	0	0	9,060
Debt Service:				
Principal	0	88,000	0	88,000
Interest	0	55,541	0	55,541
Total Expenditures	9,060	175,269	0	184,329
Excess/(Deficiency) of Revenues Over Expenditures	(9,060)	184,077	5,775	180,792
Other Financing Sources:				
Transfers In	5,000	0	0	5,000
Total Other Financing Sources	5,000	0	0	5,000
Net Change in Fund Balances	(4,060)	184,077	5,775	185,792
Fund Balances - July 1, 2024	30,193	467,418	3,494	501,105
Fund Balances - June 30, 2025	$ 26,133	$ 651,495	$ 9,269	$ 686,897

See Disclaimer in Accompanying Independent Auditor's Report.

CITY OF BARRE, VERMONT
COMBINING BALANCE SHEET
SPECIAL FUND
JUNE 30, 2025

	Reappraisal Fund	Donation Fund	ARPA Fund	Opioid Settlement Fund	Richard Russell Fund	Special Fund	Total
ASSETS							
Cash	$ 0	$ 0	$ 0	$ 0	$ 7,230	$ 0	$ 7,230
Investments	0	0	0	0	58,564	0	58,564
Receivables	0	0	0	0	0	163,927	163,927
Due from/(to) Other Funds	316,176	25,495	250,785	74,644	0	412,249	1,079,349
Total Assets	$ 316,176	$ 25,495	$ 250,785	$ 74,644	$ 65,794	$ 576,176	$ 1,309,070
LIABILITIES							
Accounts Payable	$ 6,107	$ 0	$ 75,063	$ 0	$ 0	$ 6,675	$ 87,845
Accrued Payroll and Benefits Payable	0	0	0	0	0	270	270
Total Liabilities	6,107	0	75,063	0	0	6,945	88,115
DEFERRED INFLOWS OF RESOURCES							
Unavailable Grants	0	0	0	0	0	30,414	30,414
Total Deferred Inflows of Resources	0	0	0	0	0	30,414	30,414
FUND BALANCES							
Restricted	0	21,669	0	74,644	0	422,537	518,850
Assigned	310,069	3,826	175,722	0	65,794	116,280	671,691
Total Fund Balances	310,069	25,495	175,722	74,644	65,794	538,817	1,190,541
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 316,176	$ 25,495	$ 250,785	$ 74,644	$ 65,794	$ 576,176	$ 1,309,070

See Disclaimer in Accompanying Independent Auditor's Report.

CITY OF BARRE, VERMONT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
SPECIAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Reappraisal Fund	Donation Fund	ARPA Fund	Opioid Settlement Fund	Richard Russell Fund	Special Fund	Total
Revenues:							
Intergovernmental	$ 28,331	$ 0	$ 2,470,076	$ 0	$ 0	$ 397,697	$ 2,896,104
Permits, Licenses and Fees	0	0	0	0	0	33,376	33,376
Investment Income	0	0	36,435	0	5,578	0	42,013
Donations	0	1,835	0	0	0	89,705	91,540
Opioids Settlement	0	0	0	41,977	0	0	41,977
Total Revenues	28,331	1,835	2,506,511	41,977	5,578	520,778	3,105,010
Expenditures:							
General Government	139,810	0	55,557	0	0	104,555	299,922
Public Safety	0	0	0	0	0	81,132	81,132
Public Works	0	0	45,058	0	0	11,763	56,821
Culture and Recreation	0	0	0	0	0	28,615	28,615
Community Development	0	0	500,000	40,000	0	0	540,000
Capital Outlay:							
Public Safety	0	0	0	0	0	116,921	116,921
Culture and Recreation	0	0	223,974	0	0	0	223,974
Total Expenditures	139,810	0	824,589	40,000	0	342,986	1,347,385
Excess/(Deficiency) of Revenues Over Expenditures	(111,479)	1,835	1,681,922	1,977	5,578	177,792	1,757,625
Other Financing Sources/(Uses):							
Transfers In	0	0	0	0	0	10,000	10,000
Transfers Out	0	0	(1,565,889)	(8,000)	0	0	(1,573,889)
Total Other Financing Sources/(Uses)	0	0	(1,565,889)	(8,000)	0	10,000	(1,563,889)
Net Change in Fund Balances	(111,479)	1,835	116,033	(6,023)	5,578	187,792	193,736
Fund Balances - July 1, 2024	421,548	23,660	59,689	80,667	60,216	351,025	996,805
Fund Balances - June 30, 2025	$ 310,069	$ 25,495	$ 175,722	$ 74,644	$ 65,794	$ 538,817	$ 1,190,541

See Disclaimer in Accompanying Independent Auditor's Report.

CITY OF BARRE, VERMONT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/ Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Justice				
Passed through State of Vermont Center for Crime Victim Services				
Violence Against Women Formula Grants	16.588	02160-STOP24-4053005-2025	$ 0	$ 25,984
Direct Programs				
Body Worn Camera Policy and Implementation	16.835	N/A	0	1,813
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	0	16,646
Bulletproof Vest Partnership Program	16.607	N/A	0	1,402
Total U.S. Department of Justice			0	45,845
U.S. Environmental Protection Agency				
Passed through State of Vermont Department of Environmental Conservation				
Clean Water State Revolving Fund	66.458	06140-RF1-356	0	150,970
Clean Water State Revolving Fund	66.458	06140-RF1-357-1.0	0	11,988
Clean Water State Revolving Fund	66.458	06140-RF1-370-1.0	0	39,210
Clean Water State Revolving Fund	66.458	06140-RF1-371-1.0	0	40,284
Total Clean Water State Revolving Fund			0	242,452
Total U.S. Environmental Protection Agency			0	242,452
U.S. Department of Homeland Security				
Passed through State of Vermont Department of Public Safety				
Homeland Security Grant Program	97.067	02140-7H24232-102	0	128,236
BRIC: Building Resilient Infrastructure and Communities	97.047	02140-31236-002D	0	5,500
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	02140-84810-007	0	202,607
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	02140-84720-006	0	2,465,677
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters			0	2,668,284
Total U.S. Department of Homeland Security			0	2,802,020
U.S. Northern Border Regional Commission				
Direct Program				
Northern Border Regional Development	90.601	N/A	0	862
Total U.S. Northern Border Regional Commission			0	862
U.S. Department of the Treasury				
Passed through Central Vermont Regional Planning Commission				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	06130-UCFARPA-UTPP-2023	0	7,839
Direct Program				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	0	2,390,478
Total U.S. Department of the Treasury			0	2,398,317

See Accompanying Independent Auditor's Report.

CITY OF BARRE, VERMONT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/ Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Housing and Urban Development				
Passed through State of Vermont Department of Housing and Community Development - DHCD				
Community Development Block Grant (CBDG)	14.228	07110-IG-2021-BARRE C-21	$ 500,000	$ 500,000
Total U.S. Department of Housing and Urban Development			500,000	500,000
U.S. Department of Transportation				
Passed through State of Vermont Agency of Transportation				
Highway Safety Cluster				
State and Community Highway Safety	20.600	GR1898	0	7,558
National Priority Safety Programs	20.616	GR1898	0	825
Total Highway Safety Cluster			0	8,383
Highway Planning and Construction	20.205	ER0212	0	43,123
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	GR1898	0	403
Total U.S. Department of Transportation			0	51,909
Total Federal Expenditures			$ 500,000	$ 6,041,405

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, 2025. 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.

Note C - FEMA Reconciliation

The Town received grant funds under 02140-84720-006 in the amount of $2,721,942 in fiscal year 2025. Of the amounts obligated, the Town spent $2,465,677 during fiscal year 2024 and 2025. The Town also received $256,264 that was not spent during 2025.

See Accompanying Independent Auditor's Report.

Sullivan, Powers & Co., P.C.

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

City Council
City of Barre, Vermont
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, 2025 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 October 9, 2026.

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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as Item 2025-001, that we consider to be a material weakness.

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".

City of Barre, Vermont's Response to Findings

"Government Auditing Standards" requires the auditor to perform limited procedures on the City of Barre, Vermont's response to the findings identified in our audit and included with the accompanying Schedule of Findings and Questioned Costs. The City of Barre, Vermont's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

October 9, 2026
Montpelier, Vermont
VT Lic. #92-000180

Sullivan, Powers & Co., P.C.

Certified Public Accountants

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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, Vermont
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, 2025. 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 Questioned Costs.

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, 2025.

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 previously.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to previously 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.

October 9, 2026
Montpelier, Vermont
VT Lic. #92-000180

There were no prior year audit findings noted.

Summary of Auditor's Results

Financial Statements

Type of Auditor's Report Issued:
Unmodified.

Internal Control over Financial Reporting:
Material weaknesses identified:
Yes.
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:

CFDA #	Program	Federal Agency
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	U.S. Department of the Treasury
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	U.S. Department of Homeland Security

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

The auditee did qualify as a low risk auditee.

Financial Statement Findings:

Deficiencies in Internal Control:

Material Weaknesses:

2025-001 Reconciliation of Balance Sheet Accounts

Criteria:

Effective internal controls should require the reconciliation of all balance sheet accounts to supporting documentation at least annually to ensure account balances are accurate, complete, and supported, and to facilitate the timely detection and correction of errors.

Condition:

Several balance sheet accounts, including cash, receivables, inventory, prepaid expenses, capital assets, accumulated depreciation, payroll withholdings payable, unearned revenue, deferred revenue, bonds payable, and deferred inflows of resources, were not fully reconciled to supporting documentation prior to the audit. As a result, audit procedures identified adjustments that were necessary to properly state certain account balances, revenues, and expenses.

Cause:

During the fiscal year-end close and audit preparation process, a transition in the Finance Director position contributed to gaps in communication and oversight related to audit readiness and the completion of key account reconciliations.

Effect:

Without timely and complete reconciliations, account balances may be misstated and financial reporting errors may not be identified and corrected in a timely manner. As a result, adjustments were required during the audit to properly present the City's financial statements.

Recommendation:

We recommend that management establish and maintain procedures to ensure all balance sheet accounts are reconciled to supporting documentation at least annually, with supervisory review and approval of reconciliations. Timely completion of reconciliations will help ensure the accuracy of financial reporting and facilitate a more efficient audit process.

City of Barre, Vermont

"Granite Center of the World"

Christina Kimball
Finance Director

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Christina.kimball@barrecity.org

September 30, 2026

Sullivan and Powers
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PO Box 947
Montpelier, VT 0560

Management Response

Management acknowledges the finding regarding unreconciled balance sheet accounts. The condition resulted from delays in the account reconciliation process and insufficient monitoring controls to ensure reconciliations were completed and reviewed on a timely basis.

Management agrees that timely and accurate reconciliation of balance sheet accounts is critical to ensuring the completeness and accuracy of financial reporting. Upon identification of the issue, the Finance Department initiated a review of all balance sheet accounts and prioritized the completion of outstanding reconciliations.

To prevent recurrence, management has implemented the following corrective actions:

- Established a monthly balance sheet reconciliation schedule with defined deadlines.
- Assigned specific account ownership and accountability for each balance sheet account.
- Implemented a formal supervisory review and approval process for all reconciliations.
- Provided additional training to accounting staff regarding reconciliation procedures and documentation requirements.

Management expects all balance sheet accounts to be reconciled and reviewed monthly going forward.

This response demonstrates agreement with the finding, identifies the root cause, outlines corrective actions, and assigns responsibility.

Very truly yours,

Christina Kimball
Finance Director
City of Barre