

CITY OF BARRE, VERMONT

AUDIT REPORT

JUNE 30, 2019

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AUDIT REPORT
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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Barre, Vermont, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Barre, Vermont's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Barre, Vermont as of June 30, 2019 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Correction of Errors

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

Other Matters

Required Supplementary Information

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

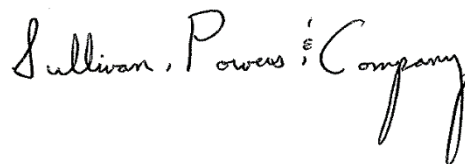
Other Information

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

Other Reporting Required by “Government Auditing Standards”

In accordance with “Government Auditing Standards”, we have also issued our report dated December 6, 2019 on our consideration of the City of Barre, Vermont’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with “Government Auditing Standards” in considering the City of Barre, Vermont’s internal control over financial reporting and compliance.

December 6, 2019
Montpelier, Vermont
VT Lic. #92-000180

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

CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

As management of the City of Barre, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2019. The purpose of the management discussion and analysis is to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position, (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

FINANCIAL HIGHLIGHTS

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

- The assets and deferred outflows of resources of the City of Barre exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$50,004,374 (total net position). Of this amount, a combined unrestricted net position is a deficit of (\$14,997), and \$1,769,503 represent resources that are subject to external restrictions on how they may be used.
- The City's total net position decreased by \$416,685. Of this amount, net position of the governmental activities decreased by \$796,672, and net position attributable to business-type activities increased by \$379,987.
- The City's total outstanding long-term debt increased by \$348,385 during the current fiscal year. Additions to long-term debt totaled \$1,870,000 offset by principal payments of \$1,521,615.

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

- Governmental funds contain many funds including General, Capital Improvement, Special Funds and Non-Major Funds.
 - Capital Improvement Fund – includes Streets, sidewalks, and Capital Equipment Funds.
 - Special Fund – includes Re-appraisal, Donations, Records Retention, and Grant funds.
 - Non-Major Governmental Funds – include Community Development, Police Special Revenues, Recreation Programs, Semprebon, Justice Center, TIF, Shade Tree Improvement, and Cemetery Funds.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$3,551,445, an increase of \$1,307,078 in comparison with the prior year.
- The General Fund fund balance decreased by \$182,225 in FY19. This decrease was due to several items including a decrease in Ambulance Revenues, higher than anticipated interest earnings on the Tax Anticipation Note, and a higher demand from mother nature for salting and plowing.
- The Capital Improvement Fund had an ending fund balance of \$1,023,140 of which \$1,182,659 is restricted for bond-approved projects, \$20,000 is non-spendable inventory, leaving a deficit of (\$179,519).
- The Special Fund had a current year surplus of \$9,428 leaving an ending fund balance of \$388,924.
- The Non-Major Governmental Funds had a current year combined deficit of (\$86,466) leaving an ending fund balance of \$2,176,360. Of which, \$808,924 is Non-expendable Cemetery Trust Funds \$1,323,191 is restricted by external sources, and \$44,245 is assigned for Special Recreation Programs and Shade Tree Improvements.
- The Water Fund had a current year increase of \$839,916. Negative Interest of \$411,953 was applied as forgiveness on three debt service loans with the State of Vermont.
- The Sewer Fund operating expenses continue to exceed the revenues, resulting a current year loss of (\$459,929).

CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

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

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

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

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

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

Fiduciary funds account for resources for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the programs of the City. The fiduciary fund financial statement of the City can be found in Exhibit I & J.

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

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

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

CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Governmental Activities		Business-type Activities		Total Government	
	2019	2018	2019	2018	2019	2018
Assets:						
Cash & Investments	\$ 4,592,043	\$ 3,277,199	\$ 200	\$ 400	\$ 4,592,243	\$ 3,277,599
Receivables, Net	952,014	643,878	1,822,950	1,973,294	2,774,964	2,617,172
Other Assets	(1,096,032)	(824,270)	1,469,309	1,468,718	373,277	644,448
Capital Assets	36,492,245	37,113,480	25,472,680	26,130,735	61,964,925	63,244,215
Total Assets	40,940,270	40,210,287	28,765,139	29,573,147	69,705,409	69,783,434
Deferred Outflow of Resources	1,225,640	1,321,430	126,562	151,689	1,352,202	1,473,119
Liabilities:						
Other Liabilities	606,800	643,439	1,420,666	1,782,438	2,027,466	2,425,877
Non-Current Liabilities	10,652,510	9,236,998	8,229,986	9,086,723	18,882,496	18,323,721
Total Liabilities	11,259,310	9,880,437	9,650,652	10,869,161	20,909,962	20,749,598
Deferred Inflow of Resources	129,865	77,873	13,410	8,023	143,275	85,896
Net Position:						
Net Investment in Capital Assets	30,636,367	31,382,214	17,613,501	17,717,197	48,249,868	49,099,411
Restricted	1,769,503	1,806,790	-	-	1,769,503	1,806,790
Unrestricted/(Deficit)	(1,629,135)	(1,615,597)	1,614,138	1,130,455	(14,997)	(485,142)
Total Net Position	\$ 30,776,735	\$ 31,573,407	\$ 19,227,639	\$ 18,847,652	\$ 50,004,374	\$ 50,421,059

As noted above, net position serves as a useful indicator of a government's financial position over time. At the end of the fiscal year, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$50,004,374. The City's total net position is split between governmental activities of \$30,776,735 and business-type activities net position of \$19,227,639.

The largest portion of the City's net position, 96.5%, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure (roads, bridges, etc.) less any related, outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

\$1,769,503 (3.5%) of the City's net position is restricted. These assets are subject to external restrictions on their use. The remaining is a deficit of (\$14,997).

CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

	Governmental Activities		Business-type Activities		Total Government	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,817,894	\$ 1,841,959	\$ 4,379,801	\$ 4,532,446	\$ 6,197,695	\$ 6,374,405
Operating Grants & Contributions	825,189	1,066,488	-	-	825,189	1,066,488
Capital Grants & Contributions	327,513	2,562,820	411,953	413,615	739,466	2,976,435
General Revenues:						
Property/Local Option Taxes	9,281,397	9,005,777	-	-	9,281,397	9,005,777
Other	164,935	156,311	1,180	1,061	166,115	157,372
Total Revenues	12,416,928	14,633,355	4,792,934	4,947,122	17,209,862	19,580,477
Expenses:						
General Government	1,739,765	1,759,932	-	-	1,739,765	1,759,932
Public Safety	7,081,073	6,497,316	-	-	7,081,073	6,497,316
Public Works	3,042,125	2,963,771	-	-	3,042,125	2,963,771
Culture and Recreation	706,288	829,177	-	-	706,288	829,177
Community Development	116,916	121,006	-	-	116,916	121,006
Cemetery	230,934	273,506	-	-	230,934	273,506
Interest on Long-term Debt	296,499	243,152	-	-	296,499	243,152
Water	-	-	2,180,273	2,162,974	2,180,273	2,162,974
Sewer	-	-	2,232,674	2,051,884	2,232,674	2,051,884
Total Expenses	13,213,600	12,687,860	4,412,947	4,214,858	17,626,547	16,902,718
Increase/(Decrease) in Net Position	(796,672)	1,945,495	379,987	732,264	(416,685)	2,677,759
Beginning Net Position	31,573,407	29,627,912	18,847,652	18,115,388	50,421,059	47,743,300
Ending Net Position	\$ 30,776,735	\$ 31,573,407	\$ 19,227,639	\$ 18,847,652	\$ 50,004,374	\$ 50,421,059

Governmental activities

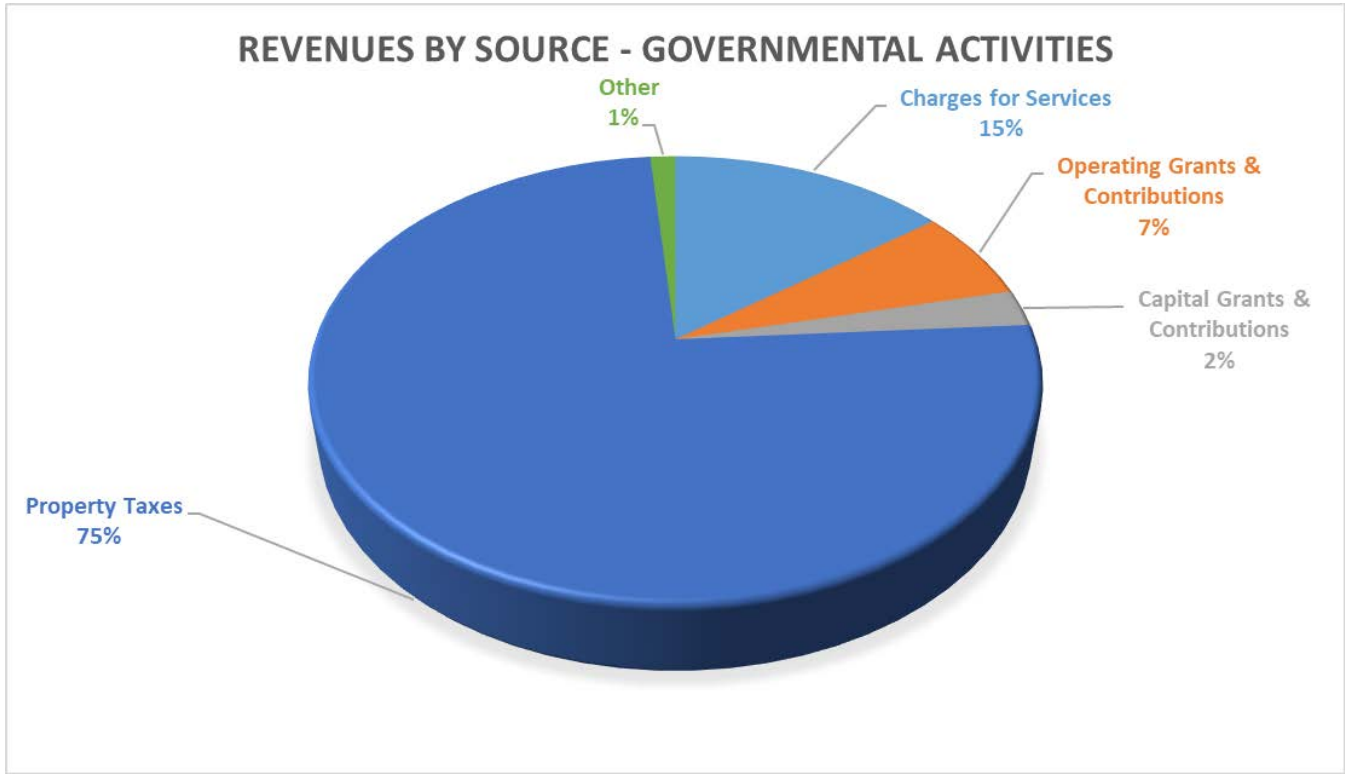
Governmental activities decreased the City's net position by (\$796,672) for the fiscal year ended June 30, 2019.

Key elements of the change are as follows:

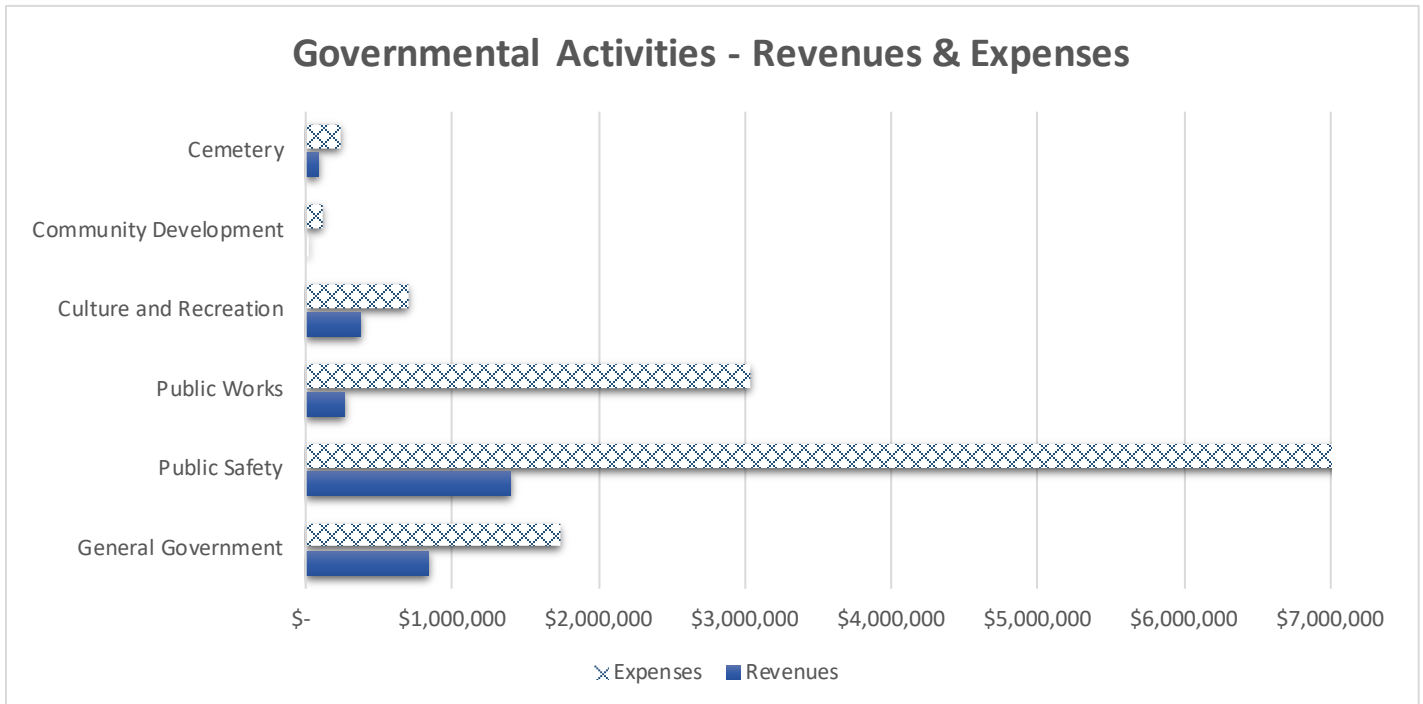
- Total governmental revenues decreased by 15.1% or (\$2,216,427) from 2018 to 2019. This was driven by a decrease in both operating and capital grants and contributions.
- Property tax revenues increased 3.1% or \$275,620 from the previous year as a result of an increase of 2.7% in the property tax rate to \$1.6886 per \$100 of assessed value from \$1.6435 in 2018.
- Total governmental activities' expenses increased by 4.1% or \$525,740 from 2018 to 2019. Public safety remains the largest category of expenses year over year. Public safety expenses at the end of 2019 were \$7,081,073, which is an increase of 9% or \$583,757. This was largely due to personnel expenses. Two officers were hired to fill vacancies at the police department in 2019, which required training and one attending the academy.

CITY OF BARRE, VERMONT
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2019

The majority of revenue for governmental activities comes from property and local option taxes; 75% of total revenue or \$9,281,397. Charges for services are the second largest category of revenue at 15% of total revenue or \$1,817,894. The following graph shows the distribution of governmental revenues by source.



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



CITY OF BARRE, VERMONT
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2019

Business-type activities (Water and Sewer Funds):

Business-type activities increased the City's net position by \$379,987 during the current fiscal year. Key elements of this change are as follows:

- Sewer Fund was (\$459,929) short of covering their expenditures with charges for services. Charges for services include user fees, including Barre Town, penalties, and connection fees. Operating expenses increased 9.4% or \$187,087. Sewer response and repairs are increasing in frequency as our system ages, specifically repairs to the wastewater treatment plant.
- Water Fund ended FY19 with a total net position of \$10,478,008. Of that total, \$8,448,788 reflects the investment in capital assets, net of outstanding debt used to acquire or construct those assets and \$2,029,220 is unrestricted.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

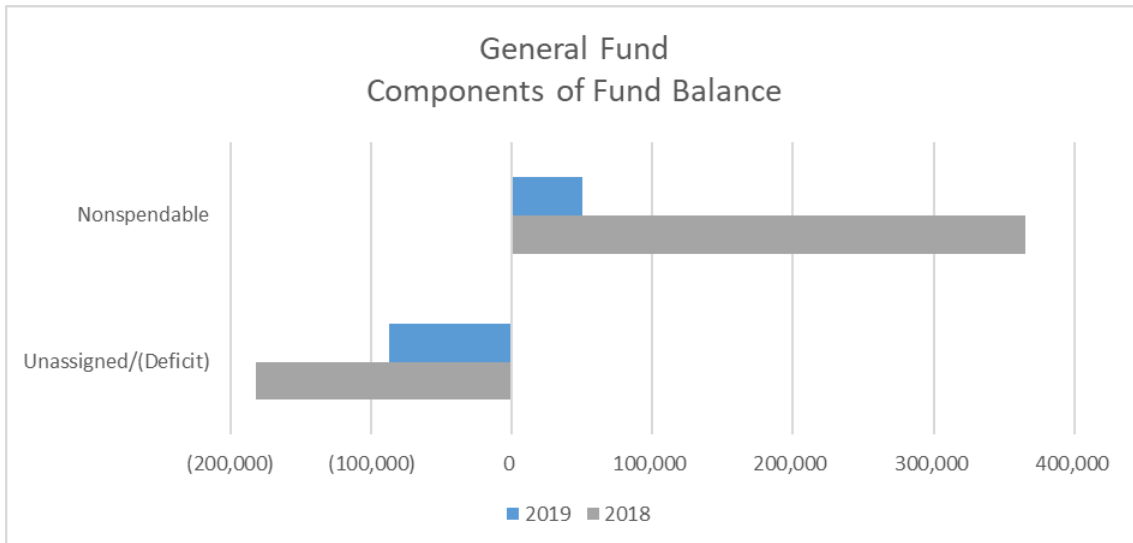
As noted earlier, the City of Barre uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Information presented and discussed in this section is specific to the fund financial statements.

Governmental Funds

The focus of the City's governmental funds is to provide information on current year revenue, expenditures, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

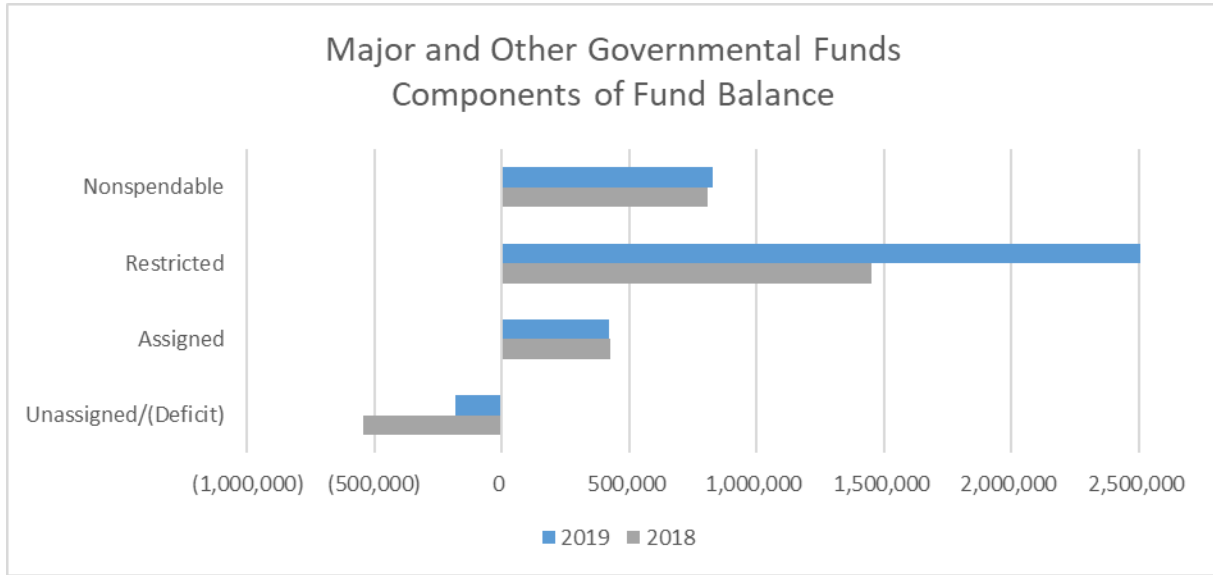
At June 30, 2019, the City's governmental funds reported combined fund balances of \$3,551,445, an increase 58% or \$1,307,078 in comparison with the prior fiscal year. However, the unassigned/(deficit) balance is (\$267,049) which is a 63.3% improvement from the (\$726,938) deficit at the end of the prior fiscal year. The remainder of the fund balance is either nonspendable \$879,475, restricted for particular purposes \$2,518,623, or assigned by the City for specific purposes \$420,396. The components of each category are detailed in Footnote IV. J. Fund Balances.

The general fund is the chief operating fund of the City. At the end of the fiscal year, total fund (deficit) balance in the general fund was (\$36,979), a decrease of (\$182,225) from the previous year. Of this amount, \$50,551 is in nonspendable form (prepaid expenses and inventory). Of the remaining amount, (\$87,530) is the fund (deficit) balance.



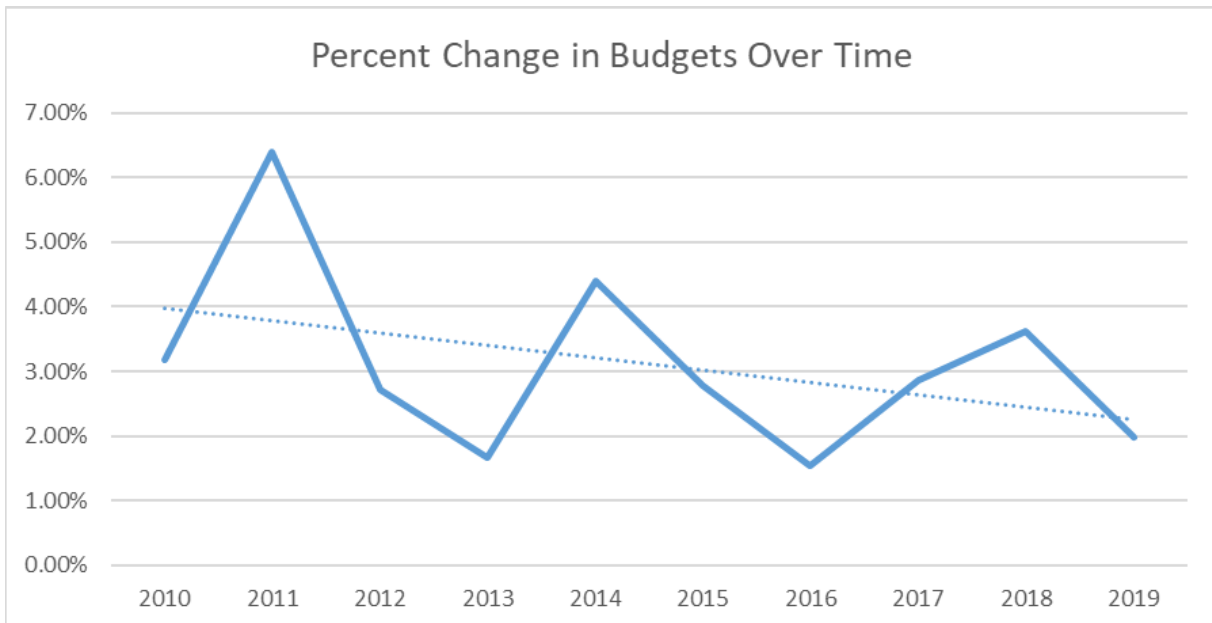
CITY OF BARRE, VERMONT
 MANAGEMENT'S DISCUSSION AND ANALYSIS
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In the governmental funds other than the general fund, the most noteworthy change to the fund balance is a \$1,067,361 increase in the restricted fund balance of \$2,518,623. The capital fund increased its restricted fund balance \$1,182,659 due to the passing of \$1.15m equipment and infrastructure bond and \$720k pool refurbishment bond. The capital fund increase was offset with a decrease of \$140,070 in the TIF Fund restricted balance.



GENERAL FUND BUDGETARY HIGHLIGHTS:

The City's budget for the year ended June 30, 2019 passed on the first vote in March of 2018 and there were no amendments made during the year. The City's FY19 general fund budget total \$12,016,667 increased 2.17% over FY18. Actual results on the year were a deficit of (\$182,225). Revenues came in under budget by (\$9,281). Expenditures came in over budget by (\$172,944).



CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Barre City's investment in capital assets for its governmental and business-type activities as of June 30, 2019, totaled \$61,964,925 (net of accumulated depreciation). These assets include land, works of art, construction in progress, building and facilities, vehicles, machinery and equipment, furniture, infrastructure, cemetery developments, and distribution and collection systems. The City's combined investment in capital assets increased in FY19 by \$1,489,956. Combined depreciation expense for the fiscal year is \$2,668,353. With the City disposing of assets totaling \$100,893, net of accumulated depreciation, and the combined accumulated depreciation exceeding the combined investment in capital assets, caused a net decrease in capital assets of (\$1,279,290).

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

- City Hall boiler replacement
- Vehicles and equipment purchased in FY19 consisted of the following: Fire Department - Chevy Suburban & Chevy Malibu, 5 sets of turnout gear; Streets Department – International 4900 w/ Altec 55ft Bucket Truck, International 7400 w/ plow, John Deer Wheel Loader, Cold Planer, Truck Hoist; Cemetery – 2 Simplicity Mowers; Mathewson Playground Equipment
- Infrastructure additions: Storm Sewers: Granite St. & Gunner Brook Flood Mitigation; Street Reconstruction: Cottage, King, Merchant, Waterman, & Wellington; Sidewalks: Cottage & Merchant; Keith Ave. Parking Lot.
- Water Main Lines: Cottage, Lower Camp, & Park; Hydrant replacement: Granite

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

- Vehicle deletions include two Chevy Trailblazers, one Ford F-150 and one Chevy Malibu.
- Building and Building Improvement deletions included the broilers at City Hall.

**CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Summary of Capital Assets

	Governmental Activities		Business-type Activities		Total Government	
	2019	2018	2019	2018	2019	2018
Capital Assets:						
Land	\$ 3,467,013	\$ 3,550,378	\$ 319,011	\$ 319,011	\$ 3,786,024	\$ 3,869,389
Works of Art	297,184	297,184	-	-	297,184	297,184
Construction in Progress	269,243	7,100	97,439	138,310	366,682	145,410
Buildings and Building Improvements	8,872,726	8,841,384	459,559	459,559	9,332,285	9,300,943
Vehicles, Machinery, Equipment and Furniture	8,556,453	8,329,843	2,320,488	2,320,488	10,876,941	10,650,331
Infrastructure	30,968,208	30,254,904	-	-	30,968,208	30,254,904
Cemetery Developments	823,929	823,929	-	-	823,929	823,929
Distribution and Collection Systems	-	-	38,582,640	38,396,936	38,582,640	38,396,936
	53,254,756	52,104,722	41,779,137	41,634,304	95,033,893	93,739,026
Less: Accumulated Depreciation	(16,762,511)	(14,991,242)	(16,306,457)	(15,503,569)	(33,068,968)	(30,494,811)
Total Assets, Net	\$ 36,492,245	\$ 37,113,480	\$ 25,472,680	\$ 26,130,735	\$ 61,964,925	\$ 63,244,215

Long Term Debt

The City began the year with \$14,924,716 in long-term debt outstanding. As of June 30, 2019 this amount had increased by \$348,385 or 2.3% to end the current year at \$15,273,101.

Summary of Long Term Debt

	30-Jun-17	Additions	Deletions	30-Jun-19
Governmental Activities	\$ 6,205,639	\$ 1,870,000	\$ 661,717	\$ 7,413,922
Business-type Activities	8,719,077	-	859,898	7,859,179
Total Government	\$ 14,924,716	\$ 1,870,000	\$ 1,521,615	\$ 15,273,101

Factors contributing to the change include the following:

- Principal payments totaling \$661,717 were made on the governmental activities debt and principal payments totaling \$859,898 were made on the business-type activities debt.
- New debt in the amount of \$1,870,000 was incurred for equipment & infrastructure improvements and refurbishment of the municipal swimming pool, as approved by voters.

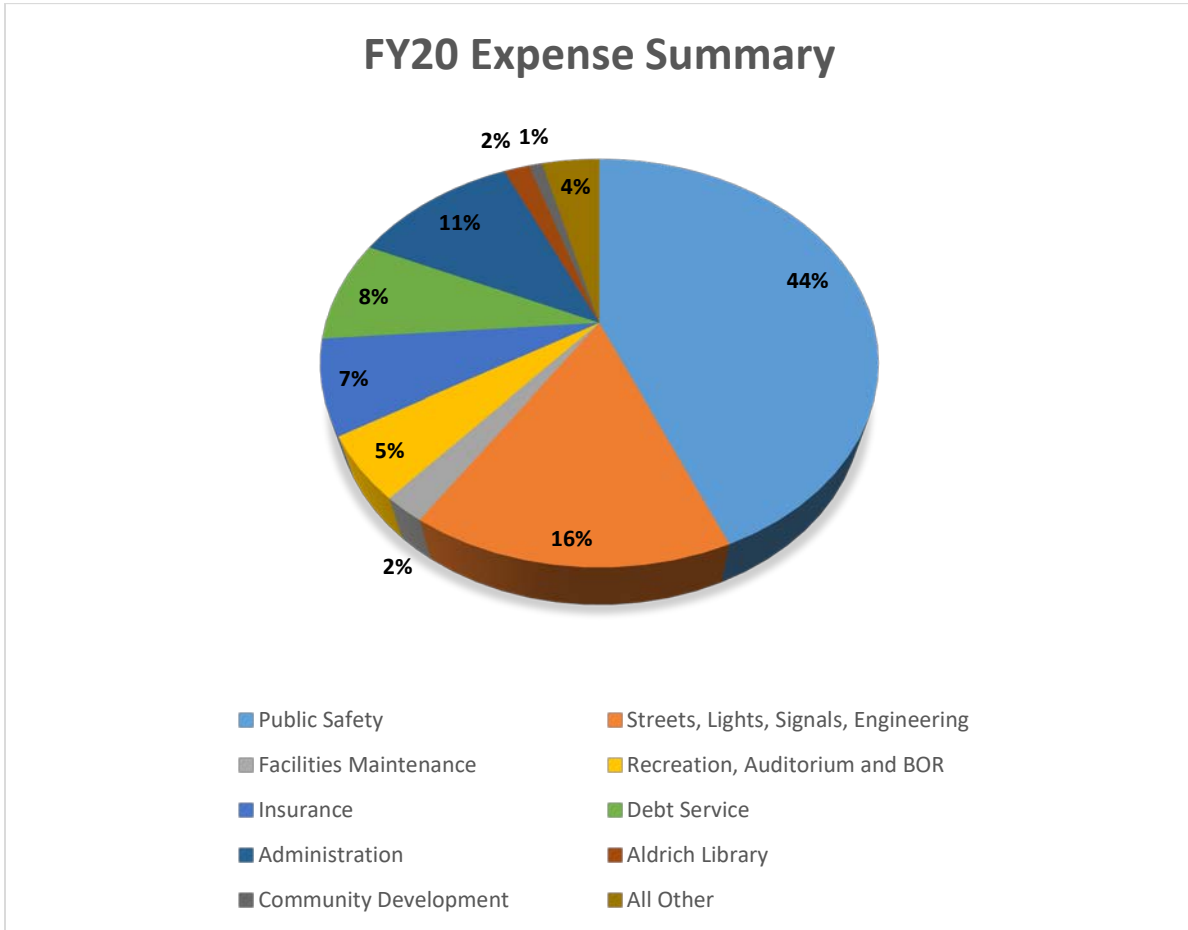
Additional information about long-term debt can be found in Footnote IV.I.

CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

NEXT YEAR'S BUDGET

Barre City approved a General Fund budget of \$12,528,689 for FY20. This represents an increase of \$512,022 or 4.3% over the FY19 budget. The municipal tax rate increased by 2.58% to \$1.8552.

The graph below depicts how the City spends its General Fund operating budget.



REQUESTS FOR INFORMATION

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

CITY OF BARRE, VERMONT
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash	\$ 1,292,152	\$ 200	\$ 1,292,352
Restricted Cash Equivalents	1,618,451	0	1,618,451
Investments	1,681,440	0	1,681,440
Receivables (Net of Allowance for Uncollectibles)	952,014	1,822,950	2,774,964
Internal Balances	(1,166,853)	1,166,853	0
Due from Fiduciary Funds	270	0	270
Prepaid Expenses	794	0	794
Inventory	69,757	302,456	372,213
Capital Assets:			
Land	3,467,013	319,011	3,786,024
Works of Art	297,184	0	297,184
Construction in Progress	269,243	97,439	366,682
Other Capital Assets, (Net of Accumulated Depreciation)	<u>32,458,805</u>	<u>25,056,230</u>	<u>57,515,035</u>
Total Assets	<u>40,940,270</u>	<u>28,765,139</u>	<u>69,705,409</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the City's Participation in VMERS	<u>1,225,640</u>	<u>126,562</u>	<u>1,352,202</u>
Total Deferred Outflows of Resources	<u>1,225,640</u>	<u>126,562</u>	<u>1,352,202</u>
<u>LIABILITIES</u>			
Accounts Payable	347,337	1,356,199	1,703,536
Accrued Payroll and Benefits Payable	129,522	14,790	144,312
Unearned Revenue	66,119	0	66,119
Tax Sale Overpayments	3,414	0	3,414
Accrued Interest Payable	60,408	49,677	110,085
Noncurrent Liabilities:			
Due within One Year	840,715	470,876	1,311,591
Due in More than One Year	<u>9,811,795</u>	<u>7,759,110</u>	<u>17,570,905</u>
Total Liabilities	<u>11,259,310</u>	<u>9,650,652</u>	<u>20,909,962</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows of Resources Related to the City's Participation in VMERS	<u>129,865</u>	<u>13,410</u>	<u>143,275</u>
Total Deferred Outflows of Resources	<u>129,865</u>	<u>13,410</u>	<u>143,275</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	30,636,367	17,613,501	48,249,868
Restricted:			
Non-Expendable:			
Cemetery	808,924	0	808,924
Expendable:			
Bike Path and Non-Operating Expenditures	591,895	0	591,895
Cemetery	222,161	0	222,161
TIF District	63,705	0	63,705
Other Purposes	82,818	0	82,818
Unrestricted/(Deficit)	<u>(1,629,135)</u>	<u>1,614,138</u>	<u>(14,997)</u>
Total Net Position	<u>\$ 30,776,735</u>	<u>\$ 19,227,639</u>	<u>\$ 50,004,374</u>

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

CITY OF BARRE, VERMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:							
Primary Government:							
Governmental Activities:							
General Government	\$ 1,739,765	\$ 669,408	\$ 105,969	\$ 65,695	\$ (898,693)	\$ 0	\$ (898,693)
Public Safety	7,081,073	815,674	582,459	0	(5,682,940)	0	(5,682,940)
Public Works	3,042,125	0	136,761	130,254	(2,775,110)	0	(2,775,110)
Culture and Recreation	706,288	240,925	0	131,564	(333,799)	0	(333,799)
Community Development	116,916	0	0	0	(116,916)	0	(116,916)
Cemetery	230,934	91,887	0	0	(139,047)	0	(139,047)
Interest on Long-term Debt	296,499	0	0	0	(296,499)	0	(296,499)
Total Governmental Activities	13,213,600	1,817,894	825,189	327,513	(10,243,004)	0	(10,243,004)
Business-type Activities:							
Water	2,180,273	2,607,898	0	411,953	0	839,578	839,578
Sewer	2,232,674	1,771,903	0	0	0	(460,771)	(460,771)
Total Business-type Activities	4,412,947	4,379,801	0	411,953	0	378,807	378,807
Total Primary Government	\$ 17,626,547	\$ 6,197,695	\$ 825,189	\$ 739,466	(10,243,004)	378,807	(9,864,197)
General Revenues:							
Property Taxes					8,815,550	0	8,815,550
Penalties and Interest on Delinquent Taxes					64,416	0	64,416
Local Option Sales Tax					105,135	0	105,135
Payments in Lieu of Taxes					296,296	0	296,296
Unrestricted Investment Earnings					157,635	1,180	158,815
Other Revenues					7,300	0	7,300
Total General Revenues					9,446,332	1,180	9,447,512
Change in Net Position					(796,672)	379,987	(416,685)
Net Position - July 1, 2018, As Restated					31,573,407	18,847,652	50,421,059
Net Position - June 30, 2019					\$ 30,776,735	\$ 19,227,639	\$ 50,004,374

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

CITY OF BARRE, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Capital Improvement Fund	Special Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 1,006,489	\$ 0	\$ 0	\$ 285,663	\$ 1,292,152
Restricted Cash Equivalents	0	1,243,066	0	375,385	1,618,451
Investments	0	0	0	1,681,440	1,681,440
Receivables (Net of Allowance for Uncollectibles)	544,246	233,994	173,774	0	952,014
Due from Other Funds	0	0	367,166	125,858	493,024
Prepaid Expenses	794	0	0	0	794
Inventory	49,757	20,000	0	0	69,757
Total Assets	<u>\$ 1,601,286</u>	<u>\$ 1,497,060</u>	<u>\$ 540,940</u>	<u>\$ 2,468,346</u>	<u>\$ 6,107,632</u>
LIABILITIES					
Accounts Payable	\$ 299,341	\$ 34,040	\$ 1,328	\$ 12,628	\$ 347,337
Accrued Payroll and Benefits Payable	128,042	0	1,480	0	129,522
Advances from Other Funds	0	224,154	0	0	224,154
Due to Other Funds	940,369	215,726	0	279,358	1,435,453
Unearned Revenue	66,119	0	0	0	66,119
Tax Sale Overpayments	3,414	0	0	0	3,414
Total Liabilities	<u>1,437,285</u>	<u>473,920</u>	<u>2,808</u>	<u>291,986</u>	<u>2,205,999</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Property Taxes, Penalties, Interest and Related Fees	178,500	0	0	0	178,500
Unavailable Fees and Fines	1,411	0	0	0	1,411
Unavailable Ambulance Fees	20,000	0	0	0	20,000
Unavailable Grants	0	0	149,208	0	149,208
Unavailable Miscellaneous Revenue	1,069	0	0	0	1,069
Total Deferred Inflows of Resources	<u>200,980</u>	<u>0</u>	<u>149,208</u>	<u>0</u>	<u>350,188</u>
FUND BALANCES/(DEFICIT)					
Nonspendable	50,551	20,000	0	808,924	879,475
Restricted	0	1,182,659	12,773	1,323,191	2,518,623
Assigned	0	0	376,151	44,245	420,396
Unassigned/(Deficit)	<u>(87,530)</u>	<u>(179,519)</u>	<u>0</u>	<u>0</u>	<u>(267,049)</u>
Total Fund Balances/(Deficit)	<u>(36,979)</u>	<u>1,023,140</u>	<u>388,924</u>	<u>2,176,360</u>	<u>3,551,445</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,601,286</u>	<u>\$ 1,497,060</u>	<u>\$ 540,940</u>	<u>\$ 2,468,346</u>	
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:					
Capital Assets Used in Governmental Activities are not Financial Resources and, Therefore, are not Reported in the Funds.					36,492,245
Other Assets are not Available to Pay for Current-Period Expenditures and, Therefore, are Deferred in the Funds.					350,188
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.					(10,712,918)
Deferred Outflows and Inflows of Resources related to the City's Participation in VMERS are applicable to Future Periods and, Therefore, are not Reported in the Funds.					<u>1,095,775</u>
Net Position of Governmental Activities					<u>\$ 30,776,735</u>

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

CITY OF BARRE, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Capital Improvement Fund	Special Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Property Taxes	\$ 8,384,138	\$ 347,691	\$ 0	\$ 84,779	\$ 8,816,608
Penalties and Interest on Delinquent Taxes	64,416	0	0	0	64,416
Local Option Sales Tax	0	105,135	0	0	105,135
Payments in Lieu of Taxes	296,296	0	0	0	296,296
Intergovernmental	269,322	0	302,107	373,449	944,878
Charges for Services	2,343,416	53,000	1,800	4,023	2,402,239
Permits, Licenses and Fees	257,376	0	12,048	0	269,424
Fines and Forfeits	43,267	0	0	0	43,267
Investment Income	73,620	537	0	83,478	157,635
Donations	59,950	0	58,173	0	118,123
Other	4,800	0	2,500	0	7,300
Total Revenues	11,796,601	506,363	376,628	545,729	13,225,321
Expenditures:					
General Government	2,435,265	0	82,360	0	2,517,625
Public Safety	5,945,588	0	86,098	390,692	6,422,378
Public Works	1,595,822	0	0	0	1,595,822
Culture and Recreation	594,275	0	8,651	28,767	631,693
Community Development	116,916	0	0	0	116,916
Cemetery	206,832	0	0	0	206,832
Capital Outlay:					
General Government	0	170,167	189,632	77,652	437,451
Public Safety	10,214	15,000	0	0	25,214
Public Works	325,642	423,104	0	0	748,746
Culture and Recreation	0	33,781	17,599	0	51,380
Cemetery	12,998	0	0	0	12,998
Debt Service:					
Principal	621,975	0	21,429	88,000	731,404
Interest	220,720	842	1,188	67,034	289,784
Total Expenditures	12,086,247	642,894	406,957	652,145	13,788,243
Excess/(Deficiency) of Revenues Over Expenditures	(289,646)	(136,531)	(30,329)	(106,416)	(562,922)
Other Financing Sources/(Uses):					
Proceeds from Long-term Debt	0	1,870,000	0	0	1,870,000
Transfers In	210,785	40,842	39,757	64,950	356,334
Transfers Out	(103,364)	(207,970)	0	(45,000)	(356,334)
Total Other Financing Sources/(Uses)	107,421	1,702,872	39,757	19,950	1,870,000
Net Change in Fund Balances	(182,225)	1,566,341	9,428	(86,466)	1,307,078
Fund Balances/(Deficit) - July 1, 2018, As Restated	145,246	(543,201)	379,496	2,262,826	2,244,367
Fund Balances/(Deficit) - June 30, 2019	\$ (36,979)	\$ 1,023,140	\$ 388,924	\$ 2,176,360	\$ 3,551,445

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, 2019

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

Net change in fund balances - total government funds (Exhibit D)	\$	1,307,078
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$1,275,789) is allocated over their estimated useful lives and reported as depreciation expense (\$1,865,465). This is the amount by which depreciation exceeded capital outlays in the current period.		(589,676)
The net effect of various transactions involving capital assets (i.e., sales and losses on disposal of assets) is to reduce net position.		(31,559)
The issuance of long-term debt (\$1,870,000) (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$731,404) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		(1,138,596)
Governmental funds report employer pension contributions as expenditures (\$400,845). However, in the statement of activities, the cost of pension benefits earned net of employee contributions (\$776,667) is reported as pension expense. This amount is the net effect of the differences in the treatment of pension expense.		(375,822)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		95,494
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>(63,591)</u>
Change in net position of governmental activities (Exhibit B)	\$	<u><u>(796,672)</u></u>

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

CITY OF BARRE, VERMONT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Water Fund	Sewer Fund	Total
<u>ASSETS</u>			
Current Assets:			
Cash	\$ 200	\$ 0	\$ 200
Receivables (Net of Allowance for Uncollectibles)	844,762	978,188	1,822,950
Advances to Other Funds - Current Portion	0	50,000	50,000
Due from Other Funds	1,236,695	0	1,236,695
Inventory	249,115	53,341	302,456
	<u>2,330,772</u>	<u>1,081,529</u>	<u>3,412,301</u>
Total Current Assets			
Noncurrent Assets:			
Advances to Other Funds - Noncurrent Portion	0	174,154	174,154
Capital Assets:			
Land	210,011	109,000	319,011
Construction in Progress	77,598	19,841	97,439
Buildings and Building Improvements	10,194	449,365	459,559
Vehicles, Machinery, Equipment and Furniture	284,131	2,036,357	2,320,488
Distribution and Collection Systems	23,852,249	14,730,391	38,582,640
Less: Accumulated Depreciation	(9,593,681)	(6,712,776)	(16,306,457)
	<u>14,840,502</u>	<u>10,806,332</u>	<u>25,646,834</u>
Total Noncurrent Assets			
	<u>17,171,274</u>	<u>11,887,861</u>	<u>29,059,135</u>
Total Assets			
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the City's Participation in VMERS			
	<u>62,980</u>	<u>63,582</u>	<u>126,562</u>
Total Deferred Outflows of Resources			
	<u>62,980</u>	<u>63,582</u>	<u>126,562</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	141,010	1,215,189	1,356,199
Accrued Payroll and Benefits Payable	7,149	7,641	14,790
Due to Other Funds	0	293,996	293,996
Accrued Interest Payable	40,674	9,003	49,677
Notes Payable - Current Portion	58,852	0	58,852
General Obligation Bonds Payable - Current Portion	277,004	135,020	412,024
	<u>524,689</u>	<u>1,660,849</u>	<u>2,185,538</u>
Total Current Liabilities			
Noncurrent Liabilities:			
Compensated Absences Payable	36,284	67,769	104,053
Net Pension Liability	132,742	134,012	266,754
Notes Payable - Noncurrent Portion	382,034	0	382,034
General Obligation Bonds Payable - Noncurrent Portion	5,673,824	1,332,445	7,006,269
	<u>6,224,884</u>	<u>1,534,226</u>	<u>7,759,110</u>
Total Noncurrent Liabilities			
	<u>6,749,573</u>	<u>3,195,075</u>	<u>9,944,648</u>
Total Liabilities			
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows of Resources Related to the City's Participation in VMERS			
	<u>6,673</u>	<u>6,737</u>	<u>13,410</u>
Total Deferred Inflows of Resources			
	<u>6,673</u>	<u>6,737</u>	<u>13,410</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	8,448,788	9,164,713	17,613,501
Unrestricted/(Deficit)	<u>2,029,220</u>	<u>(415,082)</u>	<u>1,614,138</u>
	<u>\$ 10,478,008</u>	<u>\$ 8,749,631</u>	<u>\$ 19,227,639</u>
Total Net Position			

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, 2019

	Water Fund	Sewer Fund	Total
Operating Revenues:			
Charges for Services	\$ 2,574,014	\$ 1,756,774	\$ 4,330,788
Interest and Penalties	33,015	15,129	48,144
Other	869	0	869
Total Operating Revenues	<u>2,607,898</u>	<u>1,771,903</u>	<u>4,379,801</u>
Operating Expenses:			
Payroll and Benefits	570,781	514,259	1,085,040
Administrative Costs	451,944	451,943	903,887
Professional Services	12,079	7,584	19,663
Supplies	19,892	41,423	61,315
Utilities	128,157	249,264	377,421
Maintenance	129,642	154,575	284,217
Chemicals	81,606	188,336	269,942
Permits & Testing	36,795	14,165	50,960
Taxes	56,059	0	56,059
Sludge Disposal	0	204,926	204,926
Depreciation	450,713	352,175	802,888
Other Operating Expenses	821	5,451	6,272
Total Operating Expenses	<u>1,938,489</u>	<u>2,184,101</u>	<u>4,122,590</u>
Operating Income/(Loss)	<u>669,409</u>	<u>(412,198)</u>	<u>257,211</u>
Non-Operating Revenues/(Expenses):			
Loss on Disposal of Assets	(57,925)	0	(57,925)
Investment Income	338	842	1,180
Interest Expense	(183,859)	(48,573)	(232,432)
Total Non-Operating Revenues/(Expenses)	<u>(241,446)</u>	<u>(47,731)</u>	<u>(289,177)</u>
Net Income/(Loss) Before Capital Contributions	427,963	(459,929)	(31,966)
Capital Contributions	<u>411,953</u>	<u>0</u>	<u>411,953</u>
Change in Net Position	839,916	(459,929)	379,987
Net Position - July 1, 2018	<u>9,638,092</u>	<u>9,209,560</u>	<u>18,847,652</u>
Net Position - June 30, 2019	<u>\$ 10,478,008</u>	<u>\$ 8,749,631</u>	<u>\$ 19,227,639</u>

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

CITY OF BARRE, VERMONT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Water Fund	Sewer Fund	Total
Cash Flows From Operating Activities:			
Receipts from Customers and Users	\$ 2,633,460	\$ 1,896,685	\$ 4,530,145
Payments for Goods and Services	(861,280)	(852,926)	(1,714,206)
Payments for Interfund Services	(451,944)	(451,943)	(903,887)
Payments for Wages and Benefits	(567,910)	(485,171)	(1,053,081)
Net Cash Provided by Operating Activities	752,326	106,645	858,971
Cash Flows From Noncapital Financing Activities:			
(Increase)/Decrease in Due from Other Funds	(60,771)	0	(60,771)
Increase/(Decrease) in Due to Other Funds	0	46,082	46,082
(Increase)/Decrease in Advances to Other Funds	0	40,000	40,000
Net Cash Provided/(Used) by Noncapital Financing Activities	(60,771)	86,082	25,311
Cash Flows From Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(189,328)	(13,430)	(202,758)
Principal Paid on Long-Term Debt	(316,495)	(131,450)	(447,945)
Interest Paid on Long-Term Debt	(186,270)	(48,689)	(234,959)
Net Cash Provided/(Used) by Capital and Related Financing Activities	(692,093)	(193,569)	(885,662)
Cash Flows From Investing Activities:			
Receipt of Interest and Dividends	338	842	1,180
Net Cash Provided by Investing Activities	338	842	1,180
Net Increase/(Decrease) in Cash	(200)	0	(200)
Cash - July 1, 2018	400	0	400
Cash - June 30, 2019	\$ 200	\$ 0	\$ 200
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Operating Income/(Loss)	\$ 669,409	\$ (412,198)	\$ 257,211
Depreciation	450,713	352,175	802,888
(Increase)/Decrease in Receivables	25,562	124,782	150,344
(Increase)/Decrease in Prepaid Expenses	5,912	10,243	16,155
(Increase)/Decrease in Inventory	(26,934)	(15,123)	(42,057)
(Increase)/Decrease in Deferred Outflows of Resources Related to the City's Participation in VMERS	14,913	10,214	25,127
Increase/(Decrease) in Accounts Payable	(375,207)	17,678	(357,529)
Increase/(Decrease) in Accrued Payroll and Benefits Payable	(1,771)	55	(1,716)
Increase/(Decrease) in Compensated Absences Payable	(5,923)	13,695	7,772
Increase/(Decrease) in Net Pension Liability	(6,893)	2,282	(4,611)
Increase/(Decrease) in Deferred Inflows of Resources Related to the City's Participation in VMERS	2,545	2,842	5,387
Net Cash Provided by Operating Activities	\$ 752,326	\$ 106,645	\$ 858,971

The Water Fund disposed of capital assets with a cost and accumulated depreciation of \$57,925 and \$-0-, respectively.

The Water Fund recognized a forgiveness of debt in the amount of \$411,953 from the State of Vermont.

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

CITY OF BARRE, VERMONT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

	Private-Purpose Trust Funds	Agency Fund <u>Local Emergency Planning Commission #5 Fund</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 91,522	\$ 1,791
Investments	17,297	0
Total Assets	\$ 108,819	\$ 1,791
<u>LIABILITIES AND NET POSITION</u>		
Liabilities:		
Accounts Payable	\$ 800	\$ 0
Due to Other Funds	270	0
Due to Other Organizations	0	1,791
Total Liabilities	1,070	1,791
Net Position:		
Restricted:		
Held in Trust for Other Purposes	107,749	0
Total Net Position	107,749	0
Total Liabilities and Net Position	\$ 108,819	\$ 1,791

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

CITY OF BARRE, VERMONT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Private-Purpose Trust Funds</u>
Additions:	
Investment Income	\$ <u>295</u>
Total Additions	<u>295</u>
Deductions:	
Miscellaneous	<u>1,500</u>
Total Deductions	<u>1,500</u>
Change in Net Position	(1,205)
Net Position - July 1, 2018	<u>108,954</u>
Net Position - June 30, 2019	<u><u>\$ 107,749</u></u>

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

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Financial Reporting Entity

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

B. Basis of Presentation

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

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

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

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

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

The City reports on the following major governmental funds:

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

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

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

The City reports on the following major enterprise funds:

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

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

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

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

Additionally, the City reports the following fund types:

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

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

C. Measurement Focus

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

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

D. Basis of Accounting

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

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

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

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

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

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

E. Use of Estimates

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

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

1. Cash

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

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

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

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.

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

6. Pensions

For purposes of measuring the proportionate share of the net pension liability and the related deferred outflows/inflows of resources and pension expense, information about the fiduciary net position of the Vermont Municipal Employees’ Retirement System (VMERS) plan and additions to/deductions from the VMERS’ fiduciary net position have been determined on the same basis as they are reported by VMERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

7. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, “deferred inflows of resources”, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the future periods to which the inflows are related or when the amounts become available.

8. Capital Assets

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

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

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

	Capitalization Threshold	Estimated Service Life
Land	\$ 1,000	Not Depreciated
Works of Art	\$ 1,000	Not Depreciated
Buildings and Building Improvements	\$ 5,000	40 Years
Vehicles, Machinery, Equipment and Furniture	\$ 3,000	5-20 Years
Infrastructure	\$ 25,000	30-50 Years
Cemetery Developments	\$ 10,000	10-50 Years
Distribution and Collection Systems	\$ 25,000	33-100 Years

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

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

9. Compensated Absences

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

10. Long-term Liabilities

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

11. Fund Equity

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

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

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

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

CITY OF BARRE, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019

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

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

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

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2019 expenditures in the General Fund exceeded appropriations by \$172,944. These over-expenditures were partially funded by available fund balance, however resulted in a deficit.

C. Restatement of Net Position/Fund Balances

The net position of the governmental activities was restated as follows:

	Governmental Activities
Net Position - June 30, 2018, As Originally Reported	\$ 31,650,792
Correction of Errors:	
Overstatement/(Understatement) of Unearned Revenue	(77,385)
Net Position - June 30, 2018, As Restated	\$ <u>31,573,407</u>

The restatement of the governmental activities was the result of an understatement of unearned revenue. The effect of this restatement on the Statement of Net Position is to increase liabilities by \$77,385 and decrease net position by \$77,385. The effect on the 2018 Statement of Activities has not been determined.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

The fund balances of the Governmental Funds were restated as follows:

	General Fund	Non-Major Governmental Funds
Fund Balances - June 30, 2018, As Originally Reported	\$ 183,887	\$ 2,301,570
Correction of Errors:		
(Overstatement)/Understatement of Due from Other Funds	0	(38,744)
Overstatement/(Understatement) of Due to Other Funds	38,744	0
Overstatement/(Understatement) of Unearned Revenue	(77,385)	0
Fund Balances - June 30, 2018, As Restated	\$ 145,246	\$ 2,262,826

The restatement of the General Fund was the result of an overstatement of due to other funds and an understatement of unearned revenue. The effect of this restatement on the General Fund Balance Sheet is to increase liabilities by \$38,641 and decrease fund balance by \$38,641. The effect on the 2018 Statement of Revenues, Expenditures and Changes in Fund Balance has not been determined.

The restatement of the Non-Major Governmental Funds was the result of an overstatement of due from other funds. The effect of this restatement on Non-Major Governmental Funds Balance Sheet is to decrease assets by \$38,744 and decrease fund balance by \$38,744. The effect on the 2018 Statement of Revenues, Expenditures and Changes in Fund Balance has not been determined.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The City's cash, cash equivalents and investments as of June 30, 2019 consisted of the following:

Restricted Cash Equivalents:	
Money Market Mutual Fund – U.S. Government Securities	\$ <u>1,618,451</u>
Unrestricted Cash and Cash Equivalents:	
Deposits with Financial Institutions	1,268,961
Deposits held by Investment Company	26,350
Certificate of Deposit	89,379
Cash on Hand	975
Total Unrestricted Cash and Cash Equivalents	<u>1,385,665</u>
Total Cash and Cash Equivalents	<u>3,004,116</u>

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

Investments:

Certificates of Deposit	\$ 639,000
Mutual Funds – Mixed Holdings	<u>1,059,737</u>
Total Investments	<u>1,698,737</u>
Total Cash and Investments	<u>\$4,702,853</u>

The City has seven (7) certificates of deposit at various banks ranging from \$17,297 to \$244,330 with interest rates ranging from 0.10% to 2.45%. All certificates of deposit mature during fiscal year 2020.

Custodial Credit Risk

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

	<u>Book Balance</u>	<u>Bank Balance</u>
FDIC/SIPC Insured	\$1,013,435	\$1,013,435
Uninsured, Collateralized by U.S. Government Agencies Securities Held by the Pledging Financial Institution’s Agent	<u>1,010,255</u>	<u>1,059,598</u>
Total	<u>\$2,023,690</u>	<u>\$2,073,033</u>

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

The book balance is comprised of the following:

Cash – Deposits with Financial Institutions	\$1,268,961
Cash – Deposits held by Investment Company	26,350
Cash Equivalent – Certificate of Deposit	89,379
Investments – Certificates of Deposit	<u>639,000</u>
Total	<u>\$2,023,690</u>

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board (GASB) Statement No. 72, "Fair Value Measurement and Application." The hierarchy is based on the valuation inputs used to measure fair value of the asset and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

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.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

The City has the following fair value measurements as of June 30, 2019:

Description	Total	Fair Value Measurements Using:		
		Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Mutual Funds - Mixed Holdings	\$ 1,059,737	\$ 1,059,737	\$ 0	\$ 0
Total	<u>\$ 1,059,737</u>	<u>\$ 1,059,737</u>	<u>\$ 0</u>	<u>\$ 0</u>

Restricted Cash

In 2015, the City received a \$2.2 million bond from the Vermont Municipal Bond Bank for TIF District improvements. Unspent bond proceeds and the interest earned are restricted for TIF District projects or may be used to pay down the bond. The amount restricted as of June 30, 2019 is \$375,385.

In 2019, the City received a \$1.87 million bond from the Vermont Municipal Bond Bank for pool and infrastructure improvements and the purchase of capital equipment. Unspent bond proceeds and the interest earned are restricted for the related projects and purchases or may be used to pay down the bond. The amount restricted as of June 30, 2019 is \$1,243,066.

B. Receivables

Receivables as of June 30, 2019, 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	\$ 276,734	\$ 0	\$ 276,734
Penalties and Interest Receivable	58,441	14,960	73,401
Local Option Sales Tax Receivable	43,103	0	43,103
Ambulance Receivable	148,429	0	148,429
Parking Tickets Receivable	521,732	0	521,732
Grants Receivable	431,218	0	431,218
Due from Other Entities	85,611	429,831	515,442
Billed Services	24,062	665,979	690,041
Unbilled Services	0	706,660	706,660
Miscellaneous Receivables	53,114	8,220	61,334
Allowance for Doubtful Accounts - Taxes	(82,500)	0	(82,500)
Allowance for Doubtful Accounts - Ambulance	(74,000)	0	(74,000)
Allowance for Doubtful Accounts - Parking Tickets	(508,295)	0	(508,295)
Allowance for Doubtful Accounts - Grants	(7,747)	0	(7,747)
Allowance for Doubtful Accounts - Cemetery Fees	(15,716)	0	(15,716)
Allowance for Doubtful Accounts - Miscellaneous Fees	(2,172)	0	(2,172)
Allowance for Doubtful Accounts - Water/Sewer	<u>0</u>	<u>(2,700)</u>	<u>(2,700)</u>
	<u>\$ 952,014</u>	<u>\$ 1,822,950</u>	<u>\$ 2,774,964</u>

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

C. Notes Receivable

Notes receivable as of June 30, 2019 are as follows:

Note Receivable, Highgate Housing Limited Partnership, Interest at 1%, Deferred until July 31, 2042 at which Time all Principal and Interest is Due, Secured by Property and Building, Secured by Second Mortgage Subordinate to Only Senior Encumbrances	\$ 657,500
Note Receivable, Highgate Housing Limited Partnership, Interest at 0%, Deferred until July 31, 2042 at which Time all Principal is Due, Secured by Property and Building, Secured by Second Mortgage Subordinate to Only Senior Encumbrances	649,900
Note Receivable, Lincoln House, Interest at 4.5%, Principal and Interest Due Monthly Beginning December 1, 2028 Through December 1, 2058, Secured by Second Mortgage Subordinate to Only Senior Encumbrances	600,000
Note Receivable, 28 Granite Street Limited Liability Company, Interest at 0%, Deferred until February 26, 2060 or Upon Sale of Property or Change in Use at which Time all Principal is Due, Secured by Building, Secured by Second Mortgage Subordinate to Only Senior Encumbrances	294,820
Note Receivable, Summer Street Housing Limited Partnership, Interest at 0%, Deferred Until July 25, 2046 at which Time all Principal is Due, Secured by Real Property	790,000
Note Receivable, Capstone Community Action, Interest at 0%, Deferred until November 22, 2061 or Upon Sale of Property or Change in Use at which Time all Principal is Due, Secured by Real Property	<u>800,000</u>
Total	3,792,220
Less: Allowance for Doubtful Notes Receivable	<u>(3,792,220)</u>
Reported Value as of June 30, 2019	\$ <u> 0</u>

CITY OF BARRE, VERMONT
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D. Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 3,467,013	\$ 0	\$ 0	\$ 3,467,013
Works of Art	297,184	0	0	297,184
Construction in Progress	7,100	269,243	7,100	269,243
Total Capital Assets, Not Being Depreciated	<u>3,771,297</u>	<u>269,243</u>	<u>7,100</u>	<u>4,033,440</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	8,841,384	86,960	55,618	8,872,726
Vehicles, Machinery, Equipment and Furniture	8,329,843	289,647	63,037	8,556,453
Infrastructure	30,338,269	629,939	0	30,968,208
Cemetery Developments	823,929	0	0	823,929
Totals	<u>48,333,425</u>	<u>1,006,546</u>	<u>118,655</u>	<u>49,221,316</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	2,775,425	155,856	40,953	2,890,328
Vehicles, Machinery, Equipment and Furniture	4,569,737	439,965	53,243	4,956,459
Infrastructure	7,326,374	1,260,540	0	8,586,914
Cemetery Developments	319,706	9,104	0	328,810
Totals	<u>14,991,242</u>	<u>1,865,465</u>	<u>94,196</u>	<u>16,762,511</u>
Total Capital Assets, Being Depreciated	<u>33,342,183</u>	<u>(858,919)</u>	<u>24,459</u>	<u>32,458,805</u>
Governmental Activities Capital Assets, Net	<u>\$ 37,113,480</u>	<u>\$ (589,676)</u>	<u>\$ 31,559</u>	<u>\$ 36,492,245</u>

The City reclassified \$83,365 of land in the beginning balance column to infrastructure.

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 319,011	\$ 0	\$ 0	\$ 319,011
Construction in Progress	138,310	17,054	57,925	97,439
Total Capital Assets, Not Being Depreciated	<u>457,321</u>	<u>17,054</u>	<u>57,925</u>	<u>416,450</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	459,559	0	0	459,559
Vehicles, Machinery, Equipment and Furniture	2,320,488	0	0	2,320,488
Distribution and Collection Systems	38,396,936	185,704	0	38,582,640
Totals	<u>41,176,983</u>	<u>185,704</u>	<u>0</u>	<u>41,362,687</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	409,182	4,833	0	414,015
Vehicles, Machinery, Equipment and Furniture	1,456,264	68,060	0	1,524,324
Distribution and Collection Systems	13,638,123	729,995	0	14,368,118
Totals	<u>15,503,569</u>	<u>802,888</u>	<u>0</u>	<u>16,306,457</u>
Total Capital Assets, Being Depreciated	<u>25,673,414</u>	<u>(617,184)</u>	<u>0</u>	<u>25,056,230</u>
Business-type Activities Capital Assets, Net	<u>\$ 26,130,735</u>	<u>\$ (600,130)</u>	<u>\$ 57,925</u>	<u>\$ 25,472,680</u>

CITY OF BARRE, VERMONT
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Depreciation was charged as follows:

Governmental Activities:		Business-type Activities:	
General Government	\$ 24,136	Water	\$ 450,713
Public Safety	368,766	Sewer	<u>352,175</u>
Public Works	1,391,328		
Culture and Recreation	63,201		
Cemetery	<u>18,034</u>		
 Total Depreciation Expense - Governmental Activities	 <u>\$ 1,865,465</u>	 Total Depreciation Expense - Business-type Activities	 <u>\$ 802,888</u>

E. Interfund Balances and Activity

The composition of interfund balances as of June 30, 2019 are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 0	\$ 940,369
Capital Improvement Fund	0	215,726
Special Fund	367,166	0
Non-Major Governmental Funds	125,858	279,358
Water Fund	1,236,695	0
Sewer Fund	0	293,996
Private-Purpose Trust Funds	<u>0</u>	<u>270</u>
	<u>\$ 1,729,719</u>	<u>\$ 1,729,719</u>

The composition of advances to/from other funds as of June 30, 2019 are as follows:

<u>Fund</u>	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
Sewer Fund	\$ 224,154	\$ 0
Capital Improvement Fund	<u>0</u>	<u>224,154</u>
	<u>\$ 224,154</u>	<u>\$ 224,154</u>

The purpose of the interfund loans were to finance a fire truck and the purchase of land and a building at Enterprise Aly. The terms of the fire truck loan requires annual payments of \$35,000 plus interest for nine years beginning December 31, 2010 through December 31, 2019. The balance of the loan is \$35,000. The terms of the land and building purchase required annual payments of \$5,000 plus interest for four years beginning December 31, 2011 through December 31, 2015. The balance of the loan is \$189,154 and is currently due and payable, however, the City has budgeted to repay \$15,000 in FY2020. Interest is calculated on all the loans at the rate the Sewer Fund would have earned for that year. During 2019, interest was 0.35%.

CITY OF BARRE, VERMONT
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Interfund transfers during the year ended June 30, 2019 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Capital Improvement Fund	\$ 40,842	Fund Debt Service
General Fund	Special Fund	2,572	Fund Local Match
General Fund	Semprebon Fund	59,950	Transfer Annuity Earnings
Capital Improvement Fund	General Fund	190,785	Appropriation
Capital Improvement Fund	Special Fund	17,185	Fund Local Match
Semprebon Fund	Special Fund	20,000	Fund Project Expenses
Semprebon Fund	Shade Tree Improvement Fund	5,000	Fund Project Expenses
Cemetery Trust Fund	General Fund	20,000	Transfer Interest Earnings
Total		<u>\$ 356,334</u>	

F. Deferred Outflows of Resources

Deferred outflows of resources in the governmental activities consists of \$224,388 from the difference between the expected and actual experience, \$299,393 from the difference between the projected and actual investment earnings, \$286,066 from changes in assumptions and \$14,948 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 \$400,845 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the governmental activities is \$1,225,640.

Deferred outflows of resources in the business-type activities consists of \$23,169 from the difference between the expected and actual experience, \$30,917 from the difference between the projected and actual investment earnings, \$29,541 from changes in assumptions and \$1,544 from changes in the City's proportional share of contributions related to the City's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$41,391 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the business-type activities is \$126,562.

Deferred outflows of resources in the Water Fund consists of \$11,515 from the difference between the expected and actual experience, \$15,392 from the difference between the projected and actual investment earnings, \$14,707 from changes in assumptions and \$769 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 \$20,597 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the Water Fund is \$62,980.

Deferred outflows of resources in the Sewer Fund consists of \$11,654 from the difference between the expected and actual experience, \$15,525 from the difference between the projected and actual investment earnings, \$14,834 from changes in assumptions and \$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 \$20,794 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the Sewer Fund is \$63,582.

CITY OF BARRE, VERMONT
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G. Unearned Revenue

Unearned revenue in the General Fund consists of \$1,704 of recreation fees and \$64,415 of rental property registration fees received in advance. Total unearned revenue in the General Fund is \$66,119.

H. Deferred Inflows of Resources

Deferred inflows of resources in the governmental activities consists of \$41,307 from the difference between the expected and actual experience and \$88,558 from changes in the City's proportional share of contributions related to the City's participation in the Vermont Municipal Employee's Retirement System (VMERS). Total deferred inflows of resources in the governmental activities is \$129,865.

Deferred inflows of resources in the business-type activities consists of \$4,266 from the difference between the expected and actual experience and \$9,144 from changes in the City's proportional share of contributions related to the City's participation in the Vermont Municipal Employee's Retirement System (VMERS). Total deferred inflows of resources in the business-type activities is \$13,410.

Deferred inflows of resources in the General Fund consists of \$178,500 of delinquent property taxes, penalties, interest and related fees on those taxes, \$1,411 of fees and fines, \$20,000 of ambulance fees and \$1,069 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 \$200,980.

Deferred inflows of resources in the Special Fund consists of \$149,208 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 \$2,124 from the difference between the expected and actual experience and \$4,549 from changes in the City's proportional share of contributions related to the City's participation in the Vermont Municipal Employee's Retirement System (VMERS). Total deferred inflows of resources in the Water Fund is \$6,673.

Deferred inflows of resources in the Sewer Fund consists of \$2,142 from the difference between the expected and actual experience and \$4,595 from changes in the City's proportional share of contributions related to the City's participation in the Vermont Municipal Employee's Retirement System (VMERS). Total deferred inflows of resources in the Sewer Fund is \$6,737.

I. Long-term Liabilities

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

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

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

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

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

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

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

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, 2019 were as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Library Improvements, Principal Payments of \$25,000 Payable on December 1 Annually, Interest Rates Ranging from 3.55% to 5.16% Payable on June 1 and December 1, Due and Paid December, 2018	\$ 25,000	\$ 0	\$ 25,000	\$ 0

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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	<u>Beginning Balance</u>		<u>Additions</u>		<u>Deletions</u>		<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Civic Center Improvements, Principal Payments Ranging from \$30,000 to \$35,000 Payable on December 1 Annually, Interest Rates Ranging from 2.80% to 5.18% Payable on June 1 and December 1, Due December, 2021	\$ 120,000		\$ 0		\$ 30,000		\$ 90,000
Bond Payable, Vermont Municipal Bond Bank, Public Safety Building, Principal Payments of \$195,000 Payable on December 1 Annually, Interest Rates Ranging from 3.835% to 4.665% Payable on June 1 and December 1, Due December, 2026	1,755,000		0		195,000		1,560,000
Bond Payable, Vermont Municipal Bond Bank, BOR Improvements, Principal Payments Ranging from \$150,000 to \$200,000 Payable on November 15 Annually, Interest Rates Ranging from 1.391% to 3.861% Payable on May 15 and November 15, Due and Paid November, 2019	300,000		0		150,000		150,000
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.	518,571		0		38,571		480,000
Bond Payable, Vermont Municipal Bond Bank, TIF District Bond, Principal Payments of \$88,000 Payable on November 1 Annually, Interest Ranging from 0.83% to 4.40% Payable on May 1 and November 1, Due November, 2040	2,024,000		0		88,000		1,936,000

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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Equipment and Infrastructure Improvements, Principal Payments of \$115,000 Payable on November 1 Annually, Interest Rates Ranging from 1.70% to 3.42% Payable on May 1 and November 1, Due November, 2028	\$ 0	\$1,150,000	\$ 0	\$1,150,000
Bond Payable, Vermont Municipal Bond Bank, Pool Refurbishment, Principal Payments of \$36,000 Payable on November 1 Annually, Interest Rates Ranging from 1.70% to 3.59% Payable on May 1 and November 1, Due November, 2038	0	720,000	0	720,000
Note Payable, United States Department of Agriculture, City Hall Roof Construction, Principal Payments of \$3,250 Payable on August 20 Annually, Interest at 4.375% Payable on February 20 and August 20, Due August, 2029	39,000	0	3,250	35,750
Note Payable, Community National Bank, Parking Meters, Principal and Interest Payments of \$26,907 Payable on December 20 Annually, Interest at 2.5%, Due and Paid December, 2018	25,000	0	25,000	0
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	712,500	0	37,500	675,000
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	500,000	0	25,000	475,000
Capital Lease Payable, Municipal Leasing Credit Corporation, Fire Truck, Interest at 3.3%, Principal and Interest Payments of \$50,552 Payable September 1 Annually, Due September, 2021	<u>186,568</u>	<u>0</u>	<u>44,396</u>	<u>142,172</u>
Total Governmental Activities	<u>\$6,205,639</u>	<u>\$1,870,000</u>	<u>\$661,717</u>	<u>\$7,413,922</u>

CITY OF BARRE, VERMONT
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Business-type Activities:

Water Fund:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Water System Construction, Principal Payments Ranging from \$206,236 to \$412,764 Payable on November 15 Annually, Interest at 3.93% Payable on May 15 and November 15, Due November, 2034	\$5,247,347	\$ 0	\$222,765	\$5,024,582
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. The City Received Principal Forgiveness in the Amount of \$46,860 during the Year.	179,864	0	54,249	125,615
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.	201,897	0	15,017	186,880
Bond Payable, State of Vermont Special Environmental Revolving Fund, Hydro Power Turbine, Principal Payments of \$9,298 Payable on July 1 Annually, 0% Interest, Due July, 2044. The City Made the July 1, 2018 Payment in June, 2018. The City Received Principal Forgiveness in the Amount of \$132,553 during the Year.	374,306	0	132,553	241,753

CITY OF BARRE, VERMONT
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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
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. The City Received Principal Forgiveness in the Amount of \$232,540 during the Year.	\$ 618,316	\$ 0	\$246,318	\$ 371,998
Note Payable, Community National Bank, Orange Reservoir Spillway, Principal and Interest Payments of \$68,771 Payable on October 14 Annually, Interest at 2.25%, Due October, 2025	<u>498,432</u>	<u>0</u>	<u>57,546</u>	<u>440,886</u>
Total Water Fund	<u>7,120,162</u>	<u>0</u>	<u>728,448</u>	<u>6,391,714</u>
Sewer Fund:				
Bond Payable, Vermont Municipal Bond Bank, Sewer System Construction, Principal Payments Ranging from \$59,980 to \$117,692 Payable on November 15 Annually, Interest at 3.93% Payable on May 15 and November 15, Due November, 2034	972,356	0	86,461	885,895
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.	489,531	0	36,411	453,120
Bond Payable, Vermont Municipal Bond Bank, Sewer Treatment Plant HVAC Project, Interest at 2%, Principal and Interest Payments of \$11,319 Payable on February 1 Annually, Due February, 2032	<u>137,028</u>	<u>0</u>	<u>8,578</u>	<u>128,450</u>
Total Sewer Fund	<u>1,598,915</u>	<u>0</u>	<u>131,450</u>	<u>1,467,465</u>
Total Business-type Activities	<u>\$8,719,077</u>	<u>\$ 0</u>	<u>\$859,898</u>	<u>\$7,859,179</u>

CITY OF BARRE, VERMONT
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Changes in long-term liabilities during the year were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds Payable	\$ 4,742,571	\$ 1,870,000	\$ 526,571	\$ 6,086,000	\$ 652,571
Notes Payable	1,276,500	0	90,750	1,185,750	65,750
Capital Lease Payable	186,568	0	44,396	142,172	50,552
Due to the Vermont Granite Museum	234,253	0	69,687	164,566	71,842
Compensated Absences Payable	433,855	56,876	0	490,731	0
Net Pension Liability	2,363,251	220,040	0	2,583,291	0
Total Governmental Activities Long-term Liabilities	\$ 9,236,998	\$ 2,146,916	\$ 731,404	\$ 10,652,510	\$ 840,715
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
General Obligation Bonds Payable	\$ 8,220,645	\$ 0	\$ 802,352	\$ 7,418,293	\$ 412,024
Notes Payable	498,432	0	57,546	440,886	58,852
Compensated Absences Payable	96,281	7,772	0	104,053	0
Net Pension Liability	271,365	0	4,611	266,754	0
Total Business-type Activities Long-term Liabilities	\$ 9,086,723	\$ 7,772	\$ 864,509	\$ 8,229,986	\$ 470,876

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

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

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

Debt service requirements to maturity are as follows:

Year Ending June 30	Governmental Activities			Business-type Activities	
	Principal	Interest	Capital Lease	Principal	Interest
2020	\$ 718,321	\$ 226,113	\$ 50,552	\$ 470,876	\$ 263,338
2021	568,321	203,117	50,552	485,003	247,309
2022	568,321	194,410	50,552	499,661	230,634
2023	536,179	176,982	0	512,015	213,357
2024	536,179	158,897	0	527,794	195,472
2025-2029	2,290,895	545,772	0	2,496,825	695,585
2030-2034	1,045,034	295,682	0	2,171,851	195,119
2035-2039	832,500	118,975	0	542,922	(8,111)
2040-2044	176,000	7,744	0	115,379	0
2045-2046	0	0	0	36,853	0
Total	7,271,750	1,927,692	151,656	7,859,179	2,032,703
Less: Imputed Interest	0	0	(9,484)	0	0
Total	\$ 7,271,750	\$ 1,927,692	\$ 142,172	\$ 7,859,179	\$ 2,032,703

The negative interest is the result of the refinancing of bonds. The savings is being applied to interest payments and will result in a refund of interest when the bonds are paid off.

CITY OF BARRE, VERMONT
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J. Fund Balances

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

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

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

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

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

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

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

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

Major Funds

General Fund:

Nonspendable Prepaid Expenses	\$ 794
Nonspendable Inventory	<u>49,757</u>
Total General Fund	<u>50,551</u>

Capital Improvement Fund:

Nonspendable Inventory	<u>20,000</u>
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CITY OF BARRE, VERMONT
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Non-Major Funds

Permanent Fund:	
Nonspendable Cemetery Trust Fund Principal	\$ <u>808,924</u>
Total Nonspendable Fund Balances	\$ <u>879,475</u>

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

Major Funds

Capital Improvement Fund:	
Restricted for Equipment and Infrastructure Improvements and Pool Refurbishment by Unspent Bond Proceeds (Source of Revenue is Bond Proceeds)	\$ <u>1,182,659</u>
Special Fund:	
Restricted for the Donation Expenditures of the Special Fund by Donations (Source of Revenue is Donations)	<u>12,773</u>

Non-Major Funds

Special Revenue Funds:	
Restricted for Community Development by Grant Agreements (Source of Revenue is Grant Revenue)	2,839
Restricted for Drug Forfeiture Expenditures by Agreement (Source of Revenue is Grant Revenue)	67,206
Restricted for Semprebon Fund for the Bike Path and Other Non-Operating Expenditures by Bequest (Source of Revenue is Donations)	<u>591,895</u>
Total Special Revenue Funds	<u>661,940</u>

Capital Projects Funds:	
Restricted for TIF District Projects by Unspent Bond Proceeds (Source of Revenue is Bond Proceeds)	375,385
Restricted for TIF District Debt Service by Statute (Source of Revenue is Property Taxes)	<u>63,705</u>
Total Capital Projects Funds	<u>439,090</u>

Permanent Fund:	
Restricted for Cemetery Trust Fund Expenditures by Endowments and Trust Agreements	<u>222,161</u>
Total Non-Major Funds	<u>1,323,191</u>
Total Restricted Fund Balances	\$ <u>2,518,623</u>

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

Major Funds

Special Fund:	
Assigned for Special Fund Expenses	\$ 32,434
Assigned for Recreation Programs	1,800
Assigned for Reappraisal Expenses	<u>341,917</u>
Total Special Fund	<u>376,151</u>

Non-Major Funds

Special Revenue Funds:	
Assigned for Special Recreation Program Expenses	23,055
Capital Projects Funds:	
Assigned for Shade Tree Improvement Expenditures	<u>21,190</u>
Total Non-Major Funds	<u>44,245</u>
Total Assigned Fund Balances	<u>\$420,396</u>

The unassigned deficit of \$87,530 in the General Fund will be funded with future property tax revenue.

The unassigned deficit of \$179,519 in the Capital Improvement Fund will be funded with future property tax revenue.

K. Restricted and Designated Net Position

The restricted net position of the City as of June 30, 2019 consisted of the following:

Governmental Activities:	
Restricted for the Donation Expenditures of the Special Fund by Donations	\$ 12,773
Restricted for Community Development by Grant Agreements	2,839
Restricted for Drug Forfeiture Expenditures by Agreement	67,206
Restricted for Semprebon Fund for the Bike Path and Other Non-Operating Expenditures by Bequest	591,895
Restricted for TIF District Debt Service by Charter	63,705
Restricted for Cemetery Trust Fund Expenditures by Endowments and Trust Agreements – Non-Expendable Portion – Estimated	808,924
Restricted for Cemetery Trust Fund Expenditures by Endowments and Trust Agreements – Expendable Portion	<u>222,161</u>
Total Governmental Activities	<u>\$1,769,503</u>

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

The designated net position of the City as of June 30, 2019 consisted of the following:

Business-type Activities:

Water Fund:

Designated for Water Fund Expenditures	\$1,560,044
Designated for Water Fund Capital Expenditures	<u>469,176</u>

Total Water Fund 2,029,220

Total Business-type Activities \$2,029,220

The unrestricted deficit in the Sewer Fund of \$415,082 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, 2019 consisted of the following:

Private-Purpose Trust Funds:

Restricted for Keith Fund by Donations	\$ 17,027
Restricted for Brusa Fund by Bequest	<u>90,722</u>

Total Private-Purpose Trust Funds \$107,749

V. OTHER INFORMATION

A. BENEFIT PLANS

Defined Benefit Plan

The Vermont Municipal Employees' Retirement System (VMERS)

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for municipal and school district employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. During the year ended June 30, 2019, the retirement system consisted of 402 participating employers.

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

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

As of June 30, 2018, the measurement date selected by the State of Vermont, VMERS was funded at 82.60% and had a plan fiduciary net position of \$667,848,905 and a total pension liability of \$808,524,797 resulting in a net position liability of \$140,675,892. As of June 30, 2019, the City's proportionate share of this was 2.0260% resulting in a net pension liability of \$2,850,045. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. The City's proportion of 2.0260% was a decrease of 0.1486 from its proportion measured as of the prior year.

For the year ended June 30, 2019, the City recognized pension expense of \$792,014.

As of June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 247,557	\$ 45,573
Difference between projected and actual investment earnings on pension assets	330,310	0
Changes in assumptions	315,607	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	16,492	97,702
City's required employer contributions made subsequent to the measurement date	<u>442,236</u>	<u>0</u>
	<u>\$ 1,352,202</u>	<u>\$ 143,275</u>

CITY OF BARRE, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019

The deferred outflows of resources resulting from the City’s required employer contributions made subsequent to the measurement date in the amount of \$442,236 will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending <u>June 30</u>	
2020	\$520,051
2021	173,409
2022	27,540
2023	<u>45,691</u>
Total	<u>\$766,691</u>

Summary of System Provisions

Membership – Full time employees of participating municipalities. The City elected coverage under Groups B and C provisions.

Creditable Service – Service as a member plus purchased service.

Average Final Compensation (AFC) – Groups B and C – Average annual compensation during highest three (3) consecutive years.

Service Retirement Allowance:

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

Amount – 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.

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

Early Retirement Allowance:

Eligibility – Age 55 with five (5) years of service for Group B.

Amount – Normal allowance based on service and AFC at early retirement, reduced by 6% for each year commencement precedes normal retirement age for Group B members.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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Vested Retirement Allowance:

Eligibility – Five (5) years of service.

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

Disability Retirement Allowance:

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

Amount – Immediate allowance based on AFC and service to date of disability.

Death Benefit:

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

Amount – For Groups B and C, reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor(s) benefit under disability annuity computed as of date of death.

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

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

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

Member Contributions – Group B – 5.0%. Group C – 10.125%.

Employer Contributions – Group B – 5.625%. Group C – 7.375%.

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

Significant Actuarial Assumptions and Methods

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

Salary increases: 5% per year.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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Mortality:

Death in Active Service: Groups B and C – 98% of RP-2006 blended 60% Blue Collar Employee, 40% Healthy Employee with generational improvement.

Healthy Post-Retirement: Groups B and C – 98% of RP-2014 blended 60% Blue Collar Annuitant, 40% Healthy Annuitant with generational improvement.

Disabled Post-Retirement: Groups B and C – RP-2006 Disabled Mortality Table with generational improvement.

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

Cost-of-Living Adjustments: Assumed to occur on January 1 following one year of retirement at the rate of 1.30% per annum for Groups B and C members (beginning at normal retirement eligibility age for members who elect reduced early retirement, at age 62 for members of Group B who receive a disability retirement benefit, and at age 55 for members of Group C who receive a disability retirement benefit). The January 1, 2019 COLA is assumed to be 1.3% for all groups.

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

Actuarial Value of Assets: A smoothing method is used, under which the value of assets for actuarial purposes equals market value less a five-year phase-in of the differences between actual and assumed investment return. The value of assets for actuarial purposes may not differ from market value of assets by more than 20%.

Inflation: 2.50%.

Long-term Expected Rate of Return:

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 are summarized in the following table:

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US Equity	18%	6.10%
Non-US Equity	16%	7.45%
Global Equity	9%	6.74%
Fixed Income	26%	2.25%
Real Estate	8%	5.11%
Private Markets	15%	7.60%
Hedge Funds	8%	3.86%

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

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

<u>1% Decrease (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
\$4,827,333	\$2,850,045	\$1,241,962

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 2019 was 6% for employees with less than ten years of service, 8% for employees with more than ten but less than twenty years of service, and 12% for employees with more than twenty years of service. Employees are allowed to contribute after-tax earnings. Additionally, the City will contribute a match of one half of employee contributions up to a maximum of 4%. The City’s total payroll was \$6,851,893 while its covered payroll for this plan was \$292,246. During the year ended June 30, 2019, the City contributed \$43,058 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.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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. SHORT-TERM DEBT

Annually, the City borrows monies in anticipation of taxes. The activity during fiscal year 2019 was as follows:

Short-term Debt – July 1, 2018	\$ 0
Proceeds of Tax Anticipation Note	2,046,000
Repayment of Tax Anticipation Note	<u>(2,046,000)</u>
Short-term Debt – June 30, 2019	\$ <u>0</u>

CITY OF BARRE, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019

D. PROPERTY TAXES

The City is responsible for assessing and collecting its own property taxes, as well as education property taxes for the State of Vermont. Property taxes are assessed based on property valuations as of April 1, the voter approved budgets and the State education property tax liability. Property taxes are collected four (4) times per year. During the tax year ended June 30, 2019, property taxes became due and payable on August 15, 2018, November 15, 2018, February 15, 2019 and May 15, 2019. 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 2019 were as follows:

	<u>Residential</u>	<u>Non-Residential</u>
Education	1.2698	1.5658
Municipal	1.8085	1.8085
Local Agreement	<u>0.0288</u>	<u>0.0288</u>
Total	<u>3.1071</u>	<u>3.4031</u>

E. RELATED PARTY TRANSACTIONS

The City Manager is a stockholder at an engineering firm that the City utilizes for services. The amount paid to his engineering firm for the fiscal year ending June 30, 2019 was \$73,393.

F. GIFT ANNUITY

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

G. LEASES RECEIVABLE

The City has three agreements to lease a portion of the municipal auditorium facility for the purpose of installation and operation of a telecommunications transmitter site. The leases were initially for five years with options to extend varying from a total of eight years to fifteen years. Lease revenue totaled \$142,907 for the year ended June 30, 2019. The City received notice of termination from one of the lessees, effective November 1, 2019, which will be a reduction in lease revenue. The terms of the lease require payments of 30% of the gross monthly revenue.

H. CONTINGENT LIABILITIES

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

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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.

I. 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.

J. 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.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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;

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

During the fiscal year ended June 30, 2019, the City has three (3) stabilization contracts. The impact of the tax stabilization agreements was \$142,777, which was taken into consideration in the municipal tax rate calculation.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

K. BIG DIG PROJECT

In May 2019, an agreement was reached between the Vermont Agency of Transportation and the City of Barre on the balance remaining (\$1,547,886) for the local share portion of the “Big Dig” project. It will be payable to VT AOT in five yearly increments beginning in FY19. The first payment of \$381,757 was sent May 15, 2019. The remaining payments are as follows:

2020	\$250,000
2021	\$332,000
2022	\$332,000
2023	\$252,129

L. SUBSEQUENT EVENTS

The City obtained a tax anticipation note with Community Bank, N.A. on July 1, 2019 for \$1,200,000. Interest is at 2.95% and is due June 30, 2020.

On July 1, 2019, the City received \$3,960,000 in bond proceeds from the Vermont Municipal Bond Bank for water improvements, sewer improvements and capital improvements. The bond requires annual principal payments of \$184,333 beginning November 1, 2019 and matures on November 1, 2049.

CITY OF BARRE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	Variance Favorable/ (Unfavorable)
Revenues:			
General Tax Revenue:			
General Taxes	\$ 8,075,455	\$ 8,170,698	\$ 95,243
Washington County Tax	38,739	38,739	0
Voter Approved Assistance	142,901	142,901	0
CV Public Safety Authority	<u>31,800</u>	<u>31,800</u>	<u>0</u>
Total General Tax Revenue	<u>8,288,895</u>	<u>8,384,138</u>	<u>95,243</u>
Business Licenses:			
Liquor Licenses	3,600	3,445	(155)
Miscellaneous Licenses	1,700	1,002	(698)
Restaurant Licenses	3,800	3,450	(350)
Taxicab and Taxidriver Licenses	1,000	2,760	1,760
Theater Licenses	250	240	(10)
Trucking, Rubbish and Waste	4,200	4,570	370
Entertainment	3,800	4,154	354
Video Machines	<u>1,300</u>	<u>665</u>	<u>(635)</u>
Total Business Licenses	<u>19,650</u>	<u>20,286</u>	<u>636</u>
Payment in Lieu of Taxes:			
VHFA	4,000	0	(4,000)
Capstone	21,000	22,108	1,108
Barre Housing	60,000	51,200	(8,800)
State of Vermont	<u>215,000</u>	<u>222,988</u>	<u>7,988</u>
Total Payment in Lieu of Taxes	<u>300,000</u>	<u>296,296</u>	<u>(3,704)</u>
Fees and Franchises:			
Animal Control Licenses	10,000	7,320	(2,680)
Tax Equalization	0	3,320	3,320
Hold Harmless	0	6,214	6,214
Act 68 Administration Revenue	12,000	15,972	3,972
Building and Zoning Fees	75,000	46,263	(28,737)
Vehicle Registrations	400	352	(48)
Delinquent Tax Collector Fee	42,000	38,322	(3,678)
Parking Meters	115,000	97,149	(17,851)
Green Mountain Passports	100	48	(52)
Parking Permits	72,000	86,489	14,489
Marriage Licenses	700	564	(136)
Miscellaneous Income	3,500	5,086	1,586
Police Department Fees	4,000	4,410	410
Recording Fees	60,000	53,742	(6,258)
Recreation Fees	400	1,506	1,106
Swimming Pool Admissions	12,500	12,738	238
Concession Fees	2,500	0	(2,500)
Vault Fees	1,000	934	(66)
Cell Tower Fees	<u>110,760</u>	<u>107,198</u>	<u>(3,562)</u>

See Disclaimer in Accompanying Independent Auditor's Report.

CITY OF BARRE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Favorable/ (Unfavorable)
Fees and Franchises/(Cont'd):			
Fire Alarm Maintenance Fees	\$ 9,000	\$ 13,650	\$ 4,650
Rental Property Registration	95,000	97,954	2,954
Delinquent Rental Permits	1,000	1,281	281
Burn Permits	3,500	3,585	85
Credit Card Processing Fees	2,000	1,949	(51)
EV Charging Station	100	649	549
	<u>632,460</u>	<u>606,695</u>	<u>(25,765)</u>
Total Fees and Franchises			
Fines and Penalties:			
City Ordinance Violations	1,000	3,735	2,735
Penalties and Interest on Miscellaneous Fines	3,000	2,846	(154)
Delinquent Tax Interest	37,000	26,094	(10,906)
Traffic Court	2,000	2,689	689
Parking Tickets	65,000	33,997	(31,003)
Inspection Fine & Penalty	100	0	(100)
	<u>108,100</u>	<u>69,361</u>	<u>(38,739)</u>
Total Fines and Penalties			
Federal and State Aid:			
Highway Aid	137,000	136,761	(239)
DRE Grant	0	1,215	1,215
Community Outreach Advocate	0	4,987	4,987
State SIU Grant	60,000	75,000	15,000
ODV Circle Grant	34,000	41,825	7,825
	<u>231,000</u>	<u>259,788</u>	<u>28,788</u>
Total Federal and State Aid			
Rents and Leases:			
Auditorium	60,000	59,102	(898)
Alumni Rental/lease	18,000	16,600	(1,400)
BOR Rents and Leases	195,000	158,935	(36,065)
Special Projects - Custodial Fees	5,000	13,044	8,044
Miscellaneous Rents	7,000	1,268	(5,732)
	<u>285,000</u>	<u>248,949</u>	<u>(36,051)</u>
Total Rents and Leases			

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STATEMENT OF REVENUES, EXPENDITURES AND
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BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Charges for Services:			
Williston FD	\$ 25,000	\$ 24,413	\$ (587)
First Branch Ambulance Billing	6,000	9,216	3,216
White River Ambulance Billing	32,500	36,613	4,113
East Montpelier Ambulance Billing	5,000	10,148	5,148
Ambulance Inc - Lift Assist	550,000	474,439	(75,561)
Enterprise Funds	903,887	903,887	0
City Report - School	2,500	2,500	0
Operation/Maintenance - Jail	18,000	15,987	(2,013)
Dispatch Services	56,000	49,005	(6,995)
School Resource Officers	138,000	128,774	(9,226)
Special Projects - Police Detail	5,000	20,388	15,388
Special Projects - Fire Detail	5,000	5,895	895
	<u>1,746,887</u>	<u>1,681,265</u>	<u>(65,622)</u>
Total Charges for Services			
Cemetery Revenue:			
Annual Care	0	100	100
Rents	4,600	4,435	(165)
Trust Fund Interest	20,000	20,000	0
Entombments	1,100	350	(750)
Foundations	7,000	570	(6,430)
Interments	95,000	65,818	(29,182)
Liners/Cremation Vaults	1,000	0	(1,000)
Markers/Post	3,000	1,020	(1,980)
Tent Setups	1,250	625	(625)
Lot Sales	24,000	17,590	(6,410)
Tours/DVD Sales	1,800	945	(855)
	<u>158,750</u>	<u>111,453</u>	<u>(47,297)</u>
Total Cemetery Revenue			
Miscellaneous Revenue:			
Interest Income	5,500	73,620	68,120
Limelite Settlement	0	4,800	4,800
Transfers from Other Funds	190,425	190,785	360
Semprebon Annuity	50,000	59,950	9,950
	<u>245,925</u>	<u>329,155</u>	<u>83,230</u>
Total Miscellaneous Revenue			
Total Revenues	<u>12,016,667</u>	<u>12,007,386</u>	<u>(9,281)</u>

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BUDGET AND ACTUAL - GENERAL FUND
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	<u>Budget</u>	<u>Actual</u>	Variance Favorable/ (Unfavorable)
Expenditures:			
Administrative and General:			
Personnel Services	\$ 8,000	\$ 6,038	\$ 1,962
FICA	612	463	149
City Council's Expenses	10,000	14,218	(4,218)
Telephone	150	178	(28)
Office Machines Maintenance	3,500	9,571	(6,071)
Annual Audit	34,700	52,396	(17,696)
City Report	5,000	3,638	1,362
Dues/Membership Fees	24,500	24,275	225
Holiday Observance	0	2,758	(2,758)
Postage Meter Contract	1,800	1,581	219
Advertising/Printing	9,000	12,922	(3,922)
Office Machines Supplies	3,000	1,038	1,962
Postage For Meter	18,000	14,222	3,778
Email Licenses	1,859	0	1,859
Software/City Hall	0	858	(858)
Printer/City Hall	9,414	5,866	3,548
	<u>129,535</u>	<u>150,022</u>	<u>(20,487)</u>
Total Administrative and General			
Assessor:			
Personnel Services	50,709	50,725	(16)
FICA	3,879	4,028	(149)
Training and Development	300	106	194
Telephone	700	705	(5)
Equipment Purchase/SW Licenses	5,500	4,717	783
Advertising/Printing	400	278	122
Glasses	190	0	190
Office Supplies	1,000	294	706
Office Equipment	500	0	500
Computer/Equipment Software	500	0	500
Contracted Services	46,080	41,000	5,080
	<u>109,758</u>	<u>101,853</u>	<u>7,905</u>
Total Assessor			
Legal Expenses:			
Professional Services - City Attorney	15,000	21,759	(6,759)
Professional Services - Labor	5,000	7,188	(2,188)
Contract Negotiations	15,000	12,475	2,525
	<u>35,000</u>	<u>41,422</u>	<u>(6,422)</u>
Total Legal Expenses			

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	Budget	Actual	Variance Favorable/ (Unfavorable)
City Manager:			
Personnel Services	\$ 194,924	\$ 203,098	\$ (8,174)
FICA	14,912	15,253	(341)
IT Contract	6,000	1,323	4,677
Website Vendor Maintenance	1,000	1,250	(250)
Network Expenses	0	567	(567)
Training/Development	2,000	634	1,366
Manager's Expenses	2,000	211	1,789
Secure Shred	700	585	115
Telephone	2,250	2,971	(721)
Dues/Memberships	1,500	85	1,415
Advertising/Printing	500	1,087	(587)
Car Maintenance and Supplies	2,560	0	2,560
Glasses	570	0	570
Office Supplies/Equipment	3,000	1,827	1,173
Computer Equipment/Software	0	911	(911)
	<u>231,916</u>	<u>229,802</u>	<u>2,114</u>
Total City Manager			
Finance:			
Personnel Services	170,349	207,078	(36,729)
Overtime Allowance	4,000	2,768	1,232
Director of Finance	75,000	0	75,000
FICA	19,075	15,706	3,369
Consultant Fees	1,500	7,375	(5,875)
Training/Development	500	728	(228)
Travel/Meals	300	0	300
Telephone	800	813	(13)
Equipment Purchase Contract	1,400	1,461	(61)
Advertising/Printing	1,000	1,778	(778)
Computer Maintenance	750	413	337
Glasses	570	145	425
Computer Supplies	1,000	0	1,000
Computer Forms	3,000	1,362	1,638
Office Supplies	3,000	1,473	1,527
Computer Equipment/Software	2,500	4,811	(2,311)
Annual Disaster Recovery	500	546	(46)
	<u>285,244</u>	<u>246,457</u>	<u>38,787</u>
Total Finance			
Elections:			
Personnel Services	5,500	4,942	558
Program Materials	5,000	4,768	232
BCA Expenses	500	296	204
	<u>11,000</u>	<u>10,006</u>	<u>994</u>
Total Elections			

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Clerk's Office:			
Personnel Services	\$ 130,560	\$ 126,527	\$ 4,033
Overtime Allowance	1,000	101	899
FICA	10,064	9,548	516
Training/Development	500	329	171
Travel/Meals	200	105	95
Telephone	1,300	1,636	(336)
Maintenance of Office Machines	300	0	300
Recording of Records	14,000	13,369	631
Advertising (Taxes)	2,500	558	1,942
Credit Card Expenses	3,000	2,761	239
Glasses	600	125	475
Office Supplies/Equipment	2,500	1,833	667
Program Materials	4,000	3,508	492
Computer Equipment/Software	2,162	2,434	(272)
	<u>172,686</u>	<u>162,834</u>	<u>9,852</u>
Total Clerk's Office			
Animal Control:			
Personnel Services and FICA	3,750	2,915	835
Humane Society Fees	3,750	5,870	(2,120)
	<u>7,500</u>	<u>8,785</u>	<u>(1,285)</u>
Total Animal Control			
Fire Department:			
Regular Salaries	1,219,108	1,188,062	31,046
Overtime Salaries	164,700	239,799	(75,099)
Part-Time Employees	18,300	5,616	12,684
Incentive Pay	10,429	0	10,429
FICA	113,381	110,547	2,834
Consulting Fees	1,000	800	200
Legal Claims Deductibles	1,000	1,813	(813)
Ambulance Revenue Tax	18,150	14,892	3,258
Training/Development	2,500	4,429	(1,929)
Travel/Meals	1,000	1,498	(498)
Telephone	4,200	4,710	(510)
Cell Phones	3,000	5,385	(2,385)
Dues/Membership Fees	2,500	1,862	638
Advertising/Printing	500	0	500
Physicals	5,000	8,995	(3,995)
Breathing Apparatus	5,000	5,601	(601)
Fire Hose	5,000	1,139	3,861
Radios/Pagers	8,000	1,221	6,779

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Fire Department/(Cont'd):			
Car and Truck Maintenance	\$ 30,000	\$ 44,186	\$ (14,186)
Radio Repair	3,000	5,092	(2,092)
Fire Alarm Maintenance	500	195	305
Secure Vacant Property	1,000	390	610
Fuel Oil	500	119	381
Vehicle Fuel	20,000	18,217	1,783
Clothing	8,500	8,155	345
Safety Equipment	15,000	15,967	(967)
Footwear	2,500	3,031	(531)
Glasses	3,990	1,142	2,848
Dry Cleaning	900	549	351
Building Security Equipment	0	3,343	(3,343)
Office Supplies	7,000	5,086	1,914
Medical Supplies and Equipment	30,000	22,570	7,430
Oxygen	2,000	1,457	543
Training Supplies	1,000	217	783
Defibulator Preventative Maintenance	7,000	3,953	3,047
Fire Prevention Program	500	544	(44)
Fire Investigation Materials	500	319	181
Email Accounts	1,667	0	1,667
Computer Software/Office Equipment	22,000	13,858	8,142
Computer Replacement	2,150	791	1,359
Office Equipment Leases	4,500	0	4,500
	<u>1,746,975</u>	<u>1,745,550</u>	<u>1,425</u>
Total Fire Department			
City Hall Maintenance:			
Personnel Services	20,750	16,202	4,548
Overtime	0	683	(683)
FICA	1,587	1,246	341
City Hall Electricity	10,900	5,426	5,474
City Hall Solar Project	8,220	7,487	733
Rubbish Removal	2,500	2,584	(84)
Water Bills	3,300	2,869	431
City Hall Improvements/Repairs	25,000	34,853	(9,853)
Fuel Oil	40,000	42,080	(2,080)
Clothing	550	444	106
Footwear	84	75	9
Glasses	95	0	95
Custodial Supplies	2,500	2,118	382
Building/Grounds Supplies	2,500	2,416	84
	<u>117,986</u>	<u>118,483</u>	<u>(497)</u>
Total City Hall Maintenance			

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Meters:			
Personnel Services	\$ 72,086	\$ 57,923	\$ 14,163
FICA	5,515	4,251	1,264
Electricity - Merchant's Row	600	575	25
Electricity - Pearl	800	521	279
EVCS Maintenance	2,240	1,120	1,120
Towing Fees	0	3,926	(3,926)
Advertising/Printing	500	0	500
Pager/Air Cards	0	325	(325)
Meter Maintenance	2,500	1,039	1,461
Meter Coin Handling	1,200	799	401
Clothing	500	180	320
Footware	350	175	175
Glasses	185	0	185
Meter Supplies	4,000	3,305	695
Meter Systems - Software	3,900	3,442	458
Program Materials	1,200	998	202
Meter Replacements	5,000	11,306	(6,306)
	<u>100,576</u>	<u>89,885</u>	<u>10,691</u>
Total Meters			
Police Department:			
Regular Salaries	1,271,846	1,292,910	(21,064)
Overtime	144,000	244,259	(100,259)
Incentive Pay	3,800	4,700	(900)
Training Payroll	15,750	33,361	(17,611)
Part-Time Employees	43,000	51,912	(8,912)
FICA	113,097	121,479	(8,382)
Professional Services - Legal	1,000	0	1,000
Consultant Fees	2,000	700	1,300
Training and Development	3,000	6,195	(3,195)
Travel and Meals	1,000	1,498	(498)
Telephone	1,800	1,349	451
Computer Access	5,600	5,860	(260)
Office Machines Maintenance	6,750	2,680	4,070
Advertising	500	124	376
Lock-Up Meals	3,000	3,398	(398)
Physicals	500	1,123	(623)
Pagers	5,000	8,215	(3,215)
Car Maintenance	25,000	24,404	596
Taser Assurance Program	3,900	7,758	(3,858)
Bike Maintenance	2,000	0	2,000
Radio Repair	2,000	0	2,000
Building/Grounds Maintenance	0	2,008	(2,008)
Vehicle Fuel	25,000	28,776	(3,776)
Clothing	5,000	4,825	175

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Police Department/(Cont'd):			
Equipment - Safety	\$ 6,000	\$ 6,521	\$ (521)
Ammunition	6,000	5,306	694
Footwear	3,300	1,896	1,404
Glasses	3,515	977	2,538
Dry Cleaning	6,500	4,985	1,515
Building Security Equipment	0	4,050	(4,050)
Office Supplies	4,000	4,952	(952)
Training Supplies	1,500	869	631
Juvenile Program	500	0	500
Investigations Materials	4,000	4,309	(309)
Lock-Up Materials	2,500	3,503	(1,003)
Computer Equipment/Software	3,500	3,026	474
Machine/Equipment Outlay	2,500	0	2,500
Radios	500	166	334
Total Police Department	1,728,858	1,888,094	(159,236)
Dispatch Services:			
Regular Salaries	350,211	347,008	3,203
Overtime	83,250	73,615	9,635
Training Payroll	3,600	1,136	2,464
Dispatcher	900	0	900
Part-time Dispatchers	5,000	25,984	(20,984)
Incentive Pay	0	400	(400)
FICA	35,946	32,476	3,470
Training/Development	2,000	269	1,731
Travel/Meals	500	170	330
Telephone	3,900	2,906	994
Computer Access	8,400	8,415	(15)
Office Machine Maintenance	2,250	1,174	1,076
Radio Maintenance	1,000	6,874	(5,874)
Glasses	1,110	695	415
Office Supplies/Equipment	3,500	2,332	1,168
Dispatch Center	20,000	0	20,000
Dispatch Center Console Maintenance	1,750	2,619	(869)
Computers	2,500	0	2,500
Total Dispatch Services	525,817	506,073	19,744
Street Lighting:			
Electricity	132,750	134,864	(2,114)
Enterprise Aly Street Lights	0	1,181	(1,181)
Total Street Lighting	132,750	136,045	(3,295)
Traffic Control:			
Traffic Light Electricity	8,000	6,332	1,668
Traffic Light Maintenance	10,000	6,923	3,077
Total Traffic Control	18,000	13,255	4,745

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	<u>Budget</u>	<u>Actual</u>	Variance Favorable/ (Unfavorable)
Aldrich Library:	\$ 211,000	\$ 211,000	\$ 0
Facilities:			
Personnel Services	63,441	65,323	(1,882)
FICA	4,853	4,665	188
Electricity - 135N Main	0	1,906	(1,906)
Electricity - Pool	2,500	874	1,626
Water Bills	10,000	16,071	(6,071)
Car/Truck Maintenance	2,500	2,078	422
Field Maintenance	3,500	6,586	(3,086)
Pool and Building Maintenance	18,000	15,778	2,222
Fuel - 135N Main	0	3,317	(3,317)
Vehicle Fuel	2,500	4,159	(1,659)
Clothing	400	505	(105)
Footwear	168	0	168
Glasses	190	0	190
Office Supplies	550	397	153
Computer Equipment/Software	0	1,048	(1,048)
Equipment Outlay	1,500	1,474	26
Total Facilities	<u>110,102</u>	<u>124,181</u>	<u>(14,079)</u>
Auditorium:			
Personnel Services	84,361	90,856	(6,495)
Overtime	2,000	483	1,517
FICA	6,607	6,512	95
Electricity	22,300	0	22,300
Solar Project	21,180	18,547	2,633
Rubbish Removal	6,500	6,921	(421)
Telephone	2,500	2,259	241
Water Bills	3,750	2,706	1,044
IT	4,500	4,483	17
Building and Grounds Maintenance	30,000	33,221	(3,221)
Annex Maintenance	10,000	7,681	2,319
Fuel Oil	30,000	38,885	(8,885)
Bottled Gas	600	423	177
Clothing	2,000	2,357	(357)
Footwear	336	554	(218)
Glasses	380	205	175
Custodial Supplies	3,500	3,858	(358)
Machines/Equipment Outlay	2,250	1,893	357
Total Auditorium	<u>232,764</u>	<u>221,844</u>	<u>10,920</u>

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	Budget	Actual	Variance Favorable/ (Unfavorable)
BOR:			
Personnel Services	\$ 87,611	\$ 81,936	\$ 5,675
Overtime	1,500	2,354	(854)
FICA	6,817	7,038	(221)
Electricity	40,800	15,404	25,396
Solar Project	31,752	28,956	2,796
Telephone	800	751	49
Water Bills	11,700	11,482	218
Building/Grounds Maintenance	20,000	23,879	(3,879)
Bottled Gas	10,000	12,155	(2,155)
Clothing	2,150	2,252	(102)
Footwear	336	125	211
Glasses	380	360	20
Custodial Supplies	2,000	1,876	124
Computer	1,650	1,654	(4)
Supplies/Equipment	7,500	16,728	(9,228)
	<u>224,996</u>	<u>206,950</u>	<u>18,046</u>
Total BOR			
Public Safety Building:			
Personnel Services	20,750	15,487	5,263
Overtime	0	279	(279)
FICA	1,587	1,163	424
Electricity	26,775	11,121	15,654
Solar Project	20,844	19,006	1,838
Rubbish Removal	3,200	3,601	(401)
Water Bills	3,100	3,508	(408)
Buildings and Grounds Maintenance	20,000	52,561	(32,561)
Fuel Oil	750	633	117
Bottled Gas	21,500	24,152	(2,652)
Clothing	550	568	(18)
Footwear	84	75	9
Glasses	95	0	95
Custodial Supplies	5,000	3,246	1,754
	<u>124,235</u>	<u>135,400</u>	<u>(11,165)</u>
Total Public Safety Building			

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Recreation:			
Personnel Services	\$ 65,392	\$ 65,488	\$ (96)
Skateguard Personnel	3,000	2,343	657
Pool Personnel	19,000	15,069	3,931
FICA	6,685	5,970	715
Training and Development	750	454	296
Travel and Meals	200	64	136
Telephone	1,200	879	321
Dues, Memberships and Fees	300	175	125
Advertising/Printing	850	61	789
Municipal Pool Supplies/Equipment	1,000	218	782
Tennis Court Equipment	500	0	500
Glasses	190	0	190
Office Supplies	600	0	600
Recreation Supplies	1,000	746	254
Recreation Programs	1,500	650	850
Computer Purchase	0	791	(791)
Total Recreation	102,167	92,908	9,259
Sanitary Landfill:			
Property Tax	2,958	2,829	129
CVSWMD Assessment	11,526	8,837	2,689
Total Sanitary Landfill	14,484	11,666	2,818
Engineering:			
Personnel Services	189,583	138,747	50,836
Overtime	4,000	12,153	(8,153)
FICA	14,809	11,350	3,459
Consultant Fees	10,000	0	10,000
Telephone	1,250	2,290	(1,040)
Office Machines Maintenance	800	6	794
Engineering Equipment	4,500	0	4,500
Radio Maintenance	0	260	(260)
Clothing	150	0	150
Footwear	336	0	336
Glasses	570	0	570
Office Supplies/Equipment	4,000	1,278	2,722
Computer Equipment/Software	2,500	882	1,618
Total Engineering	232,498	166,966	65,532

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CITY OF BARRE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Favorable/ (Unfavorable)
Permitting, Planning and Inspections:			
Personnel Services	\$ 95,184	\$ 100,678	\$ (5,494)
Overtime	1,000	1,835	(835)
Contracted Services	10,000	4,530	5,470
FICA	8,123	7,400	723
Professional Services	15,000	2,572	12,428
Training and Development	1,000	285	715
Travel and Meals	250	82	168
Telephone	1,500	1,081	419
Dues and Memberships	250	65	185
Advertising and Printing	3,000	1,452	1,548
Glasses	380	0	380
Supplies and Equipment	1,700	534	1,166
Computer Equipment/Software	6,000	6,558	(558)
	<u>143,387</u>	<u>127,072</u>	<u>16,315</u>
Community Development:			
Barre Partnership	65,000	65,000	0
Barre Area Development	51,744	51,744	0
Main Street Maintenance	1,000	172	828
	<u>117,744</u>	<u>116,916</u>	<u>828</u>
Public Parks and Trees - Maintenance:			
Electricity - Currier	650	673	(23)
Public Parks Tree Maintenance	10,000	6,193	3,807
	<u>10,650</u>	<u>6,866</u>	<u>3,784</u>
Street Department - Public Works:			
Personnel Services	647,500	583,212	64,288
Overtime	0	48,754	(48,754)
FICA	49,534	48,221	1,313
Claims/Deductibles	0	2,727	(2,727)
Storm Water Permit	2,100	4,446	(2,346)
Training/Development	1,000	960	40
Travel and Meals	250	15	235
Electricity	10,000	9,922	78
Rubbish Removal	4,500	3,469	1,031
Telephone	1,500	1,800	(300)
Equipment Rental - Snow	0	6,355	(6,355)
Equipment Rental - Streets	0	2,800	(2,800)
Advertising/Printing	1,500	653	847
Snow Damage - Vehicles	1,000	1,079	(79)
Snow Damage - Plows	1,000	0	1,000
Barricades - Lights	500	931	(431)
Culverts - Surface Sewer	12,500	0	12,500

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CITY OF BARRE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Favorable/ (Unfavorable)
Street Department - Public Works/(Cont'd):			
Guardrails	\$ 3,500	\$ 22,764	\$ (19,264)
Tiles and Grates - Surface Sewer	2,500	0	2,500
Radio Maintenance	500	260	240
Building and Grounds Maintenance	8,000	16,010	(8,010)
Equipment Maintenance - Streets	40,000	40,701	(701)
Snow Equipment Maintenance	25,000	13,175	11,825
Truck Maintenance - Streets	30,000	84,622	(54,622)
Bridge Maintenance	2,500	0	2,500
Street Painting	5,000	1,913	3,087
Yard Waste - Fall	0	174	(174)
Roadside Mowing	5,000	5,838	(838)
Fuel Oil - Garage	25,000	24,203	797
Vehicle Fuel	45,000	43,729	1,271
Bottled Gas	750	0	750
Vehicle Grease/Oil	2,500	6,866	(4,366)
Clothing	12,000	12,782	(782)
Equipment - Safety	3,500	24,969	(21,469)
Footwear	2,640	2,299	341
Glasses	2,622	1,063	1,559
Office Expense	1,250	294	956
Small Tools	2,500	3,660	(1,160)
Supplies - Garage	7,000	31,084	(24,084)
Supplies	2,000	26,091	(24,091)
Supplies - NSC	0	2,344	(2,344)
Supplies - Surface Sewer	7,500	18,889	(11,389)
Supplies - Streets	7,500	13,334	(5,834)
Supplies - Snow Removal	12,500	5,694	6,806
Bituminous Hot Mix - Streets	0	10,390	(10,390)
Bituminous Hot Mix - Surface Sewer	0	306	(306)
Kold Patch - Streets	3,500	11,967	(8,467)
Salt	170,000	244,942	(74,942)
Sand	7,500	6,795	705
Street Signs	5,000	3,545	1,455
	<u>1,175,146</u>	<u>1,396,047</u>	<u>(220,901)</u>
Total Street Department - Public Works			

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CITY OF BARRE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Favorable/ (Unfavorable)
Cemetery:			
Personnel Services	\$ 143,528	\$ 109,496	\$ 34,032
Overtime	500	262	238
FICA	11,018	8,633	2,385
Training/Development	100	106	(6)
Travel/Meals	100	0	100
Telephone	1,000	1,346	(346)
Electricity - Office	500	556	(56)
Veterans Flags	2,600	1,860	740
Advertising/Printing	600	156	444
Car/Truck Maintenance	1,500	1,077	423
Building Maintenance - Hope	1,500	555	945
Building/Grounds Maintenance - Elmwood	5,000	3,003	1,997
Contracted Services	1,000	375	625
Hope Maintenance	16,000	7,938	8,062
St Monica Maintenance	2,000	1,071	929
Cremation Vaults	500	0	500
Grounds & Buildings	1,500	1,555	(55)
Equipment Maintenance	2,500	2,960	(460)
Fuel Oil - Office	1,500	803	697
Vehicle Fuel	4,500	4,862	(362)
Clothing	850	920	(70)
Equipment - Safety	200	159	41
Footwear	200	181	19
Glasses	190	0	190
Office Supplies/Equipment	1,000	38	962
Small Tools	750	653	97
Cemetery Trust	7,000	5,091	1,909
Foundations	2,500	2,831	(331)
Seeds/Trees/Shrubs/Bulbs	500	90	410
Machinery/Equipment	0	12,998	(12,998)
Total Cemetery	210,636	169,575	41,061
Insurance:			
Health Insurance	1,167,892	1,119,106	48,786
Life Insurance	41,538	39,247	2,291
Dental Insurance	23,147	31,839	(8,692)
Total Insurance	1,232,577	1,190,192	42,385
City Pension Plan:			
City Pension Plan	404,760	423,985	(19,225)
Consultant Services	2,500	3,105	(605)
Total City Pension Plan	407,260	427,090	(19,830)

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CITY OF BARRE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Favorable/ (Unfavorable)
Debt Service:			
Principal Payments	\$ 667,491	\$ 661,975	\$ 5,516
Interest Expense	<u>155,124</u>	<u>221,562</u>	<u>(66,438)</u>
Total Debt Service	<u>822,615</u>	<u>883,537</u>	<u>(60,922)</u>
General Insurance:			
Worker's Compensation	640,082	650,269	(10,187)
Unemployment Insurance	16,018	10,854	5,164
Property and Casualty	<u>264,617</u>	<u>246,594</u>	<u>18,023</u>
Total General Insurance	<u>920,717</u>	<u>907,717</u>	<u>13,000</u>
Washington County Tax:	<u>38,739</u>	<u>38,739</u>	<u>0</u>
Voter Approved Assistance:	<u>142,901</u>	<u>142,901</u>	<u>0</u>
VC Public Safety Authority:	<u>31,800</u>	<u>31,800</u>	<u>0</u>
Special Projects:			
Special Projects - FICA	1,148	2,325	(1,177)
Special Projects - Custodial	5,000	7,840	(2,840)
Special Projects - Fire	5,000	4,283	717
Special Projects - Police	<u>5,000</u>	<u>19,715</u>	<u>(14,715)</u>
Total Special Projects	<u>16,148</u>	<u>34,163</u>	<u>(18,015)</u>
Miscellaneous Expenses:			
Granite Museum Parking Lot	14,500	14,924	(424)
Barre Energy Committee	1,000	455	545
Miscellaneous Expenses	10,000	356	9,644
Barre Community Justice Center Stipend	0	6,830	(6,830)
Semprebon VCF Trust Projects	100,000	59,950	40,050
Vermont Youth Conservation Corps	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Total Miscellaneous Expenses	<u>140,500</u>	<u>97,515</u>	<u>42,985</u>
Total Expenditures	<u>12,016,667</u>	<u>12,189,611</u>	<u>(172,944)</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>\$ 0</u>	(182,225)	<u>\$ (182,225)</u>
Fund Balance - July 1, 2018, As Restated		<u>145,246</u>	
Fund Balance/(Deficit) - June 30, 2019		<u>\$ (36,979)</u>	

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CITY OF BARRE, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 VMERS DEFINED BENEFIT PLAN
 JUNE 30, 2019

	2019	2018	2017	2016	2015
Total Plan Net Pension Liability	\$ 140,675,892	\$ 121,155,552	\$ 128,696,167	\$ 77,095,810	\$ 9,126,613
City's Proportion of the Net Pension Liability	2.0260%	2.1746%	2.1660%	2.0470%	2.1321%
City's Proportionate Share of the Net Pension Liability	\$ 2,850,045	\$ 2,634,616	\$ 2,787,514	\$ 1,578,171	\$ 194,585
City's Covered Employee Payroll	\$ 6,851,893	\$ 6,263,606	\$ 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	41.5950%	42.0623%	51.5514%	31.4161%	4.3460%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.60%	83.64%	80.95%	87.42%	98.32%

Notes to Schedule

Benefit Changes: None.

Changes in Assumptions and Methods: None.

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

CITY OF BARRE, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 VMERS DEFINED BENEFIT PLAN
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution (Actuarially Determined)	\$ 442,236	\$ 406,810	\$ 355,127	\$ 329,193	\$ 286,143
Contributions in Relation to the Actuarially Determined Contributions	<u>442,236</u>	<u>406,810</u>	<u>355,127</u>	<u>329,193</u>	<u>286,143</u>
Contribution Excess/(Deficiency)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City's Covered Employee Payroll	\$ 6,851,893	\$ 6,263,606	\$ 5,407,251	\$ 5,023,450	\$ 4,477,325
Contributions as a Percentage of City's Covered Employee Payroll	6.454%	6.495%	6.568%	6.553%	6.391%

Notes to Schedule

Valuation Date: June 30, 2018

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

CITY OF BARRE, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2019

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery Trust Fund	Total
<u>ASSETS</u>				
Cash	\$ 243,506	\$ 31,525	\$ 10,632	\$ 285,663
Restricted Cash Equivalents	0	375,385	0	375,385
Investments	701,118	0	980,322	1,681,440
Due from Other Funds	<u>23,055</u>	<u>62,672</u>	<u>40,131</u>	<u>125,858</u>
Total Assets	<u>\$ 967,679</u>	<u>\$ 469,582</u>	<u>\$ 1,031,085</u>	<u>\$ 2,468,346</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts Payable	\$ 3,326	\$ 9,302	\$ 0	\$ 12,628
Due to Other Funds	<u>279,358</u>	<u>0</u>	<u>0</u>	<u>279,358</u>
Total Liabilities	<u>282,684</u>	<u>9,302</u>	<u>0</u>	<u>291,986</u>
Fund Balances:				
Nonspendable	0	0	808,924	808,924
Restricted	661,940	439,090	222,161	1,323,191
Assigned	<u>23,055</u>	<u>21,190</u>	<u>0</u>	<u>44,245</u>
Total Fund Balances	<u>684,995</u>	<u>460,280</u>	<u>1,031,085</u>	<u>2,176,360</u>
Total Liabilities and Fund Balances	<u>\$ 967,679</u>	<u>\$ 469,582</u>	<u>\$ 1,031,085</u>	<u>\$ 2,468,346</u>

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CITY OF BARRE, VERMONT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery Trust Fund	Total
Revenues:				
Property Taxes	\$ 0	\$ 84,779	\$ 0	\$ 84,779
Intergovernmental	373,449	0	0	373,449
Charges for Services	0	0	4,023	4,023
Investment Income	20,055	7,837	55,586	83,478
Total Revenues	393,504	92,616	59,609	545,729
Expenditures:				
Public Safety	390,692	0	0	390,692
Culture and Recreation	22,605	6,162	0	28,767
Capital Outlay:				
General Government	0	77,652	0	77,652
Debt Service:				
Principal	0	88,000	0	88,000
Interest	0	67,034	0	67,034
Total Expenditures	413,297	238,848	0	652,145
Excess/(Deficiency) of Revenues Over Expenditures	(19,793)	(146,232)	59,609	(106,416)
Other Financing Sources/(Uses):				
Transfers In	59,950	5,000	0	64,950
Transfers Out	(25,000)	0	(20,000)	(45,000)
Total Other Financing Sources/(Uses)	34,950	5,000	(20,000)	19,950
Net Change in Fund Balances	15,157	(141,232)	39,609	(86,466)
Fund Balances - July 1, 2018, As Restated	669,838	601,512	991,476	2,262,826
Fund Balances - June 30, 2019	\$ 684,995	\$ 460,280	\$ 1,031,085	\$ 2,176,360

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CITY OF BARRE, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2019

	Community Development Fund	Drug Forfeiture Fund	Special Recreation Programs Fund	Semprebon Fund	Justice Center Fund	Total
<u>ASSETS</u>						
Cash	\$ 2,839	\$ 3,724	\$ 0	\$ 236,943	\$ 0	\$ 243,506
Investments	0	79,415	0	621,703	0	701,118
Due from Other Funds	<u>0</u>	<u>0</u>	<u>23,055</u>	<u>0</u>	<u>0</u>	<u>23,055</u>
Total Assets	<u>\$ 2,839</u>	<u>\$ 83,139</u>	<u>\$ 23,055</u>	<u>\$ 858,646</u>	<u>\$ 0</u>	<u>\$ 967,679</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 3,326	\$ 0	\$ 3,326
Due to Other Funds	<u>0</u>	<u>15,933</u>	<u>0</u>	<u>263,425</u>	<u>0</u>	<u>279,358</u>
Total Liabilities	<u>0</u>	<u>15,933</u>	<u>0</u>	<u>266,751</u>	<u>0</u>	<u>282,684</u>
Fund Balances:						
Restricted	2,839	67,206	0	591,895	0	661,940
Assigned	<u>0</u>	<u>0</u>	<u>23,055</u>	<u>0</u>	<u>0</u>	<u>23,055</u>
Total Fund Balances	<u>2,839</u>	<u>67,206</u>	<u>23,055</u>	<u>591,895</u>	<u>0</u>	<u>684,995</u>
Total Liabilities and Fund Balances	<u>\$ 2,839</u>	<u>\$ 83,139</u>	<u>\$ 23,055</u>	<u>\$ 858,646</u>	<u>\$ 0</u>	<u>\$ 967,679</u>

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CITY OF BARRE, VERMONT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	Community Development Fund	Drug Forfeiture Fund	Special Recreation Programs Fund	Semprebou Fund	Justice Center Fund	Total
Revenues:						
Intergovernmental	\$ 0	\$ 5,219	\$ 0	\$ 0	\$ 368,230	\$ 373,449
Investment Income	<u>0</u>	<u>6,652</u>	<u>0</u>	<u>13,403</u>	<u>0</u>	<u>20,055</u>
Total Revenues	<u>0</u>	<u>11,871</u>	<u>0</u>	<u>13,403</u>	<u>368,230</u>	<u>393,504</u>
Expenditures:						
Public Safety	0	22,462	0	0	368,230	390,692
Culture and Recreation	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,605</u>	<u>0</u>	<u>22,605</u>
Total Expenditures	<u>0</u>	<u>22,462</u>	<u>0</u>	<u>22,605</u>	<u>368,230</u>	<u>413,297</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(10,591)</u>	<u>0</u>	<u>(9,202)</u>	<u>0</u>	<u>(19,793)</u>
Other Financing Sources/(Uses):						
Transfers In	0	0	0	59,950	0	59,950
Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>(25,000)</u>	<u>0</u>	<u>(25,000)</u>
Total Other Financing Sources/(Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>34,950</u>	<u>0</u>	<u>34,950</u>
Net Change in Fund Balances	0	(10,591)	0	25,748	0	15,157
Fund Balances - July 1, 2018	<u>2,839</u>	<u>77,797</u>	<u>23,055</u>	<u>566,147</u>	<u>0</u>	<u>669,838</u>
Fund Balances - June 30, 2019	<u>\$ 2,839</u>	<u>\$ 67,206</u>	<u>\$ 23,055</u>	<u>\$ 591,895</u>	<u>\$ 0</u>	<u>\$ 684,995</u>

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CITY OF BARRE, VERMONT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NON-MAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	Shade Tree Improvement Fund	TIF Fund	Total
Revenues:			
Property Taxes	\$ 0	\$ 84,779	\$ 84,779
Investment Income	0	7,837	7,837
Total Revenues	<u>0</u>	<u>92,616</u>	<u>92,616</u>
Expenditures:			
Culture and Recreation	6,162	0	6,162
Capital Outlay:			
General Government	0	77,652	77,652
Debt Service:			
Principal	0	88,000	88,000
Interest	0	67,034	67,034
Total Expenditures	<u>6,162</u>	<u>232,686</u>	<u>238,848</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>(6,162)</u>	<u>(140,070)</u>	<u>(146,232)</u>
Other Financing Sources:			
Transfers In	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Other Financing Sources	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Net Change in Fund Balances	(1,162)	(140,070)	(141,232)
Fund Balances - July 1, 2018	<u>22,352</u>	<u>579,160</u>	<u>601,512</u>
Fund Balances - June 30, 2019	<u>\$ 21,190</u>	<u>\$ 439,090</u>	<u>\$ 460,280</u>

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CITY OF BARRE, VERMONT
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION
 PRIVATE-PURPOSE TRUST FUNDS
 JUNE 30, 2019

	<u>Keith Fund</u>	<u>Brusa Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 0	\$ 91,522	\$ 91,522
Investments	<u>17,297</u>	<u>0</u>	<u>17,297</u>
Total Assets	<u>\$ 17,297</u>	<u>\$ 91,522</u>	<u>\$ 108,819</u>
<u>LIABILITIES AND NET POSITION</u>			
Liabilities:			
Accounts Payable	\$ 0	\$ 800	\$ 800
Due to Other Funds	<u>270</u>	<u>0</u>	<u>270</u>
Total Liabilities	<u>270</u>	<u>800</u>	<u>1,070</u>
Net Position:			
Restricted:			
Held in Trust for Other Purposes	<u>17,027</u>	<u>90,722</u>	<u>107,749</u>
Total Net Position	<u>17,027</u>	<u>90,722</u>	<u>107,749</u>
Total Liabilities and Net Position	<u>\$ 17,297</u>	<u>\$ 91,522</u>	<u>\$ 108,819</u>

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CITY OF BARRE, VERMONT
 COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
 PRIVATE-PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Keith Fund</u>	<u>Brusa Fund</u>	<u>Total</u>
Additions:			
Investment Income	\$ <u>201</u>	\$ <u>94</u>	\$ <u>295</u>
Total Additions	<u>201</u>	<u>94</u>	<u>295</u>
Deductions:			
Miscellaneous	<u>0</u>	<u>1,500</u>	<u>1,500</u>
Total Deductions	<u>0</u>	<u>1,500</u>	<u>1,500</u>
Change in Net Position	201	(1,406)	(1,205)
Net Position - July 1, 2018	<u>16,826</u>	<u>92,128</u>	<u>108,954</u>
Net Position - June 30, 2019	\$ <u><u>17,027</u></u>	\$ <u><u>90,722</u></u>	\$ <u><u>107,749</u></u>

See Disclaimer in Accompanying Independent Auditor's Report.

CITY OF BARRE, VERMONT
 COMBINING BALANCE SHEET
 SPECIAL FUND
 JUNE 30, 2019

	Special Fund	Donations Fund	Reappraisal Fund	Total
<u>ASSETS</u>				
Receivables	\$ 173,774	\$ 0	\$ 0	\$ 173,774
Due from Other Funds	10,676	14,573	341,917	367,166
Total Assets	\$ 184,450	\$ 14,573	\$ 341,917	\$ 540,940
<u>LIABILITIES</u>				
Accounts Payable	\$ 1,328	\$ 0	\$ 0	\$ 1,328
Accrued Payroll and Benefits Payable	1,480	0	0	1,480
Total Liabilities	2,808	0	0	2,808
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Grants	149,208	0	0	149,208
Total Deferred Inflows of Resources	149,208	0	0	149,208
<u>FUND BALANCES</u>				
Restricted	0	12,773	0	12,773
Assigned	32,434	1,800	341,917	376,151
Total Fund Balances	32,434	14,573	341,917	388,924
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 184,450	\$ 14,573	\$ 341,917	\$ 540,940

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, 2019

	Special Fund	Donations Fund	Reappraisal Fund	Total
Revenues:				
Intergovernmental	\$ 273,887	\$ 0	\$ 28,220	\$ 302,107
Charges for Services	0	1,800	0	1,800
Permits, Licenses and Fees	12,048	0	0	12,048
Donations	57,498	675	0	58,173
Other	2,500	0	0	2,500
Total Revenues	345,933	2,475	28,220	376,628
Expenditures:				
General Government	79,701	419	2,240	82,360
Public Safety	86,098	0	0	86,098
Culture and Recreation	8,100	551	0	8,651
Capital Outlay:				
General Government	189,632	0	0	189,632
Culture and Recreation	14,806	2,793	0	17,599
Debt Service:				
Principal	21,429	0	0	21,429
Interest	1,188	0	0	1,188
Total Expenditures	400,954	3,763	2,240	406,957
Excess/(Deficiency) of Revenues Over Expenditures	(55,021)	(1,288)	25,980	(30,329)
Other Financing Sources:				
Transfers In	39,757	0	0	39,757
Total Other Financing Sources	39,757	0	0	39,757
Net Change in Fund Balances	(15,264)	(1,288)	25,980	9,428
Fund Balances - July 1, 2018	47,698	15,861	315,937	379,496
Fund Balances - June 30, 2019	\$ 32,434	\$ 14,573	\$ 341,917	\$ 388,924

See Disclaimer in Accompanying Independent Auditor's Report.

Sullivan, Powers & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Barre, Vermont as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Barre, Vermont's basic financial statements and have issued our report thereon dated December 6, 2019.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City of Barre, Vermont's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the 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. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Deficiencies in Internal Control as Item 2019-1, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Barre, Vermont's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under "Government Auditing Standards".

We also noted certain other matters that we reported to the management of the City of Barre, Vermont in a separate letter dated December 6, 2019.

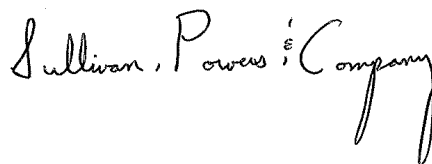
City of Barre, Vermont's Response to Deficiency in Internal Control

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Barre, Vermont's internal control or on compliance. This report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the City of Barre, Vermont's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

December 6, 2019
Montpelier, Vermont
VT Lic. #92-000180



CITY OF BARRE, VERMONT
SCHEDULE OF FINDINGS AND DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2019

Deficiencies in Internal Control:

Material Weaknesses:

None noted.

Significant Deficiencies:

2019-1 Unearned Revenue

Criteria:

Internal controls should be in place to ensure that revenues are recorded in the proper fiscal year. Revenues should be recorded in the year which they are earned rather than when the payment is received.

Condition:

The City did not have controls in place to ensure all revenues were recorded in the proper fiscal year. The City recorded rental registration fees based on when the payments were received rather than the year they were earned.

Cause:

Unknown.

Effect:

The City's General Fund fund balance and unearned revenue balances were incorrect.

Recommendation:

We recommend that the City implement controls to ensure that revenues are recorded in the proper fiscal year.



City of Barre, Vermont

"Granite Center of the World"

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Telephone (802) 476-0240
FAX (802) 476-0264

December 6, 2019

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

Please find the response to the material weaknesses below.

Deficiencies in Internal Control:

Material Weaknesses:

2019-01 Unearned Revenue

Criteria: Internal controls should be in place to ensure that revenues are recorded in the proper fiscal year. Revenues should be recorded in the year which they are earned rather than when the payment is received.

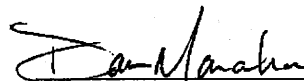
Condition: The City does not have internal controls in place to ensure all revenues were recorded in the proper fiscal year. The City recorded rental registration fees based on when the payments were received rather than the year they were earned.

Cause: Unknown.

Effect: The City's General Fund fund balance and unearned revenue balances were incorrect.

Recommendation: We recommend that the City implement controls to ensure that revenues are recorded in the proper fiscal year.

Response: The City recognizes this issue and will implement controls to ensure all revenues are recorded in the proper fiscal year.


Dawn Monahan
Finance Director

Date: 12.6.19