

CITY OF BARRE, VERMONT

AUDIT REPORT

JUNE 30, 2022

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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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Barre, Vermont as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Barre, Vermont's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Barre, Vermont, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principles

As described in Note I.F. to the financial statements, effective June 30, 2022, the City implemented GASB Statement No. 87, "Leases".

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

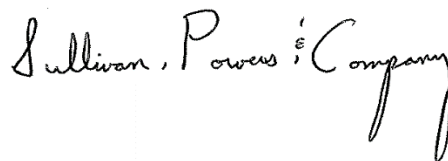
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Barre, Vermont's basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Other Reporting Required by "Government Auditing Standards"

In accordance with "Government Auditing Standards", we have also issued our report dated November 28, 2022 on our consideration of the City of Barre, Vermont's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Barre, Vermont's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the City of Barre, Vermont's internal control over financial reporting and compliance.

November 28, 2022
Montpelier, Vermont
VT Lic. #92-000180



CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

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, 2022. 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 \$50,416,087 (total net position). Of this amount, a combined unrestricted net position is a surplus of \$1,742,635 and \$1,999,210 represent resources that are subject to external restrictions on how they may be used.
- The City's total net position increased by \$437,828. Of this amount, net position of the governmental activities increased by \$57,099 and net position attributable to business-type activities increased by \$380,729.
- The City's total outstanding long-term debt decreased by \$1,335,513 during the current fiscal year, attributed to principal payments.

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

- Governmental funds contain many funds including General, Capital Improvement, Special Funds and Non-Major Funds.
 - Capital Improvement Fund – includes Streets, Sidewalks, and Capital Equipment Funds.
 - Special Fund – includes Re-appraisal, Donations, American Rescue Plan Act Funds, Records Retention, and Grant funds.
 - Non-Major Governmental Funds – include Community Development, Police Special Revenues, Recreation Programs, Semprebon, TIF, Shade Tree Improvement, and Cemetery Funds.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$4,970,981, an increase of \$814,029 in comparison with the prior year.
- The General Fund fund balance increased by \$649,638 in FY22. This was due to several factors such as the receipt of Federal funding for EMS Provider Relief Funds in response to COVID-19 pandemic, increased rentals in the Auditorium and BOR facilities, increased ambulance revenue as well as internments. The City also recognized vacancy savings being unable to fill the City Assessor and Permit Administrator, as well as several Department of Public Works positions.
- The Capital Improvement Fund had an ending fund balance of \$1,360,847 of which \$769,350 is restricted for bond-approved projects, \$70,950 is non-spendable inventory, leaving an assigned balance of \$520,547.
- The Special Fund fund balance increased by \$290,545 leaving an ending fund balance of \$589,302. This increase is mainly attributable to the timing of the receipt of the grant funding and banner and dasher board sales. While this fund balance increased in total, \$240,818 is restricted in large for records restoration and Civic Center improvements, \$425,249 is assigned mainly for reappraisal expenses, leaving a deficit of (\$76,765).
- The Non-Major Governmental Funds had a current year net change of (\$88,250) leaving an ending fund balance of \$1,801,973. Of which, \$823,892 is Non-Expendable Cemetery Trust Funds, \$934,500 is restricted by external sources, and \$43,581 is assigned for Special Recreation Programs and Shade Tree Improvements.

CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

- The Water Fund had a current year increase of \$444,921.
- The Sewer Fund operating expenses continue to exceed the revenues, resulting a current year loss of (\$64,192).

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Government-Wide Financial Statements

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

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

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

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

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

CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Fund Financial Statements

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

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

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

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

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

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

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

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

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

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

CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Governmental Activities		Business-type Activities		Total Government	
	2022	2021	2022	2021	2022	2021
Assets:						
Cash, Restricted Cash, Cash Equivalents & Investments	\$ 7,458,753	\$ 6,064,430	\$ 2,408,021	\$ 3,023,498	\$ 9,866,774	\$ 9,087,928
Receivables, Net	784,413	875,460	1,687,395	1,629,065	2,471,808	2,504,525
Other Assets	(997,510)	(1,442,223)	1,647,849	1,877,623	650,339	435,400
Capital Assets	36,565,862	37,906,594	24,687,920	24,503,561	61,253,782	62,410,155
Total Assets	43,811,518	43,404,261	30,431,185	31,033,747	74,242,703	74,438,008
Deferred Outflow of Resources	1,450,316	1,820,801	154,656	200,565	1,604,972	2,021,366
Liabilities:						
Other Liabilities	1,968,101	1,032,104	753,162	1,152,868	2,721,263	2,184,972
Non-Current Liabilities	10,880,901	13,348,477	9,973,977	10,764,044	20,854,878	24,112,521
Total Liabilities	12,849,002	14,380,581	10,727,139	11,916,912	23,576,141	26,297,493
Deferred Inflow of Resources	1,676,655	165,403	178,792	18,219	1,855,447	183,622
Net Position:						
Net Investment in Capital Assets	29,722,135	30,492,021	16,952,107	17,029,653	46,674,242	47,521,674
Restricted	1,999,210	1,940,418	-	-	1,999,210	1,940,418
Unrestricted/(Deficit)	(985,168)	(1,753,361)	2,727,803	2,269,528	1,742,635	516,167
Total Net Position	\$ 30,736,177	\$ 30,679,078	\$ 19,679,910	\$ 19,299,181	\$ 50,416,087	\$ 49,978,259

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 \$50,416,087. The City's total net position is split between governmental activities of \$30,736,177 and business-type activities net position of \$19,679,910.

The largest portion of the City's net position, 92.6%, 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.

\$1,999,210 (4.0%) of the City's net position is restricted. These assets are subject to external restrictions on their use. The remaining is unrestricted surplus of \$1,742,635.

CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

	Governmental Activities		Business-type Activities		Total Government	
	2022	2021	2022	2021	2022	2021
Revenues & Transfers:						
Program Revenues:						
Charges for Services	\$ 1,739,113	\$ 1,610,403	\$ 5,461,513	\$ 5,253,824	\$ 7,200,626	\$ 6,864,227
Operating Grants & Contributions	682,007	1,001,052	-	-	682,007	1,001,052
Capital Grants & Contributions	380,057	1,023,622	-	-	380,057	1,023,622
General Revenues:						
Property & Local Option Taxes	10,587,808	10,250,173	-	-	10,587,808	10,250,173
Other	(201,594)	248,434	23,080	2,052	(178,514)	250,486
Total Revenues & Transfers	<u>13,187,391</u>	<u>14,133,684</u>	<u>5,484,593</u>	<u>5,255,876</u>	<u>18,671,984</u>	<u>19,389,560</u>
Expenses:						
General Government	1,912,425	2,172,038	-	-	1,912,425	2,172,038
Public Safety	6,508,122	7,149,111	-	-	6,508,122	7,149,111
Public Works	2,986,810	2,794,837	-	-	2,986,810	2,794,837
Culture and Recreation	1,133,936	739,435	-	-	1,133,936	739,435
Community Development	118,044	111,416	-	-	118,044	111,416
Cemetery	231,923	167,987	-	-	231,923	167,987
Interest on Long-term Debt	239,032	243,599	-	-	239,032	243,599
Water	-	-	2,471,569	2,424,783	2,471,569	2,424,783
Sewer	-	-	2,632,295	2,594,563	2,632,295	2,594,563
Total Expenses	<u>13,130,292</u>	<u>13,378,423</u>	<u>5,103,864</u>	<u>5,019,346</u>	<u>18,234,156</u>	<u>18,397,769</u>
Increase in Net Position	57,099	755,261	380,729	236,530	437,828	991,791
Beginning Net Position	30,679,078	29,923,817	19,299,181	19,062,651	49,978,259	48,986,468
Ending Net Position	<u>\$ 30,736,177</u>	<u>\$ 30,679,078</u>	<u>\$ 19,679,910</u>	<u>\$ 19,299,181</u>	<u>\$ 50,416,087</u>	<u>\$ 49,978,259</u>

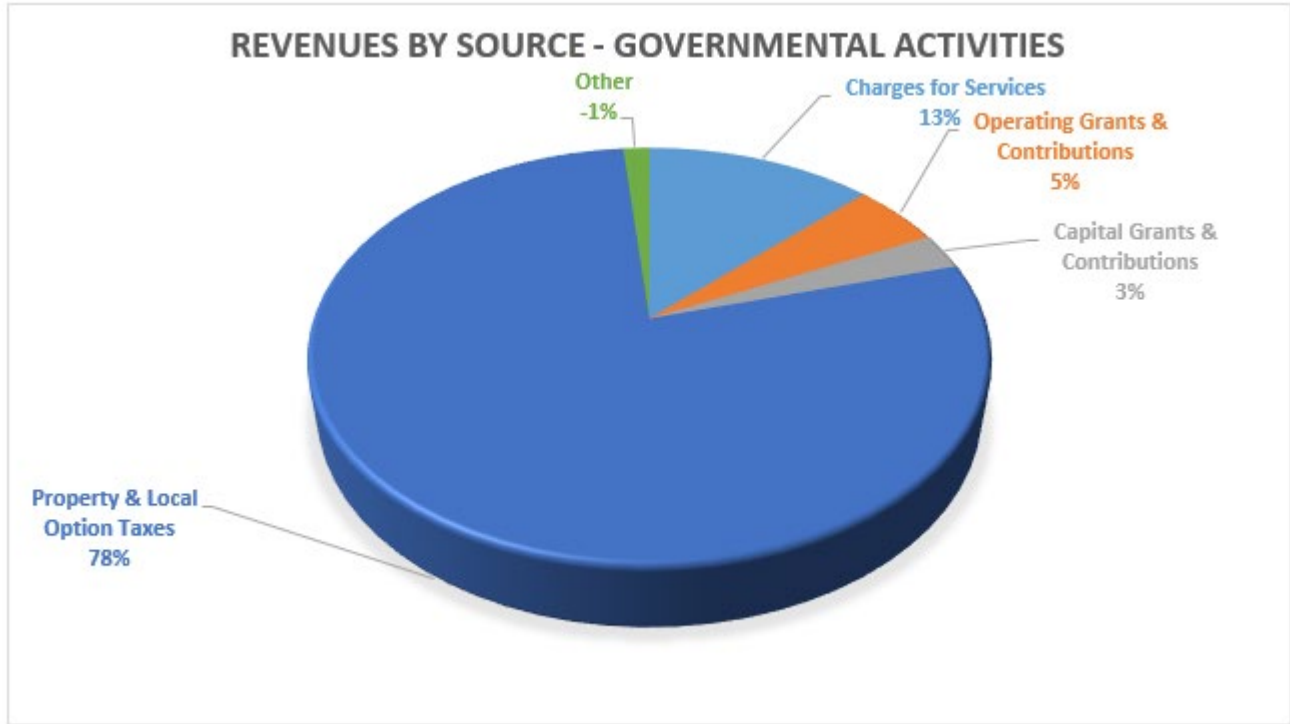
Governmental activities

Governmental activities increased the City's net position by \$57,099 for the fiscal year ended June 30, 2022. Key elements of the change are as follows:

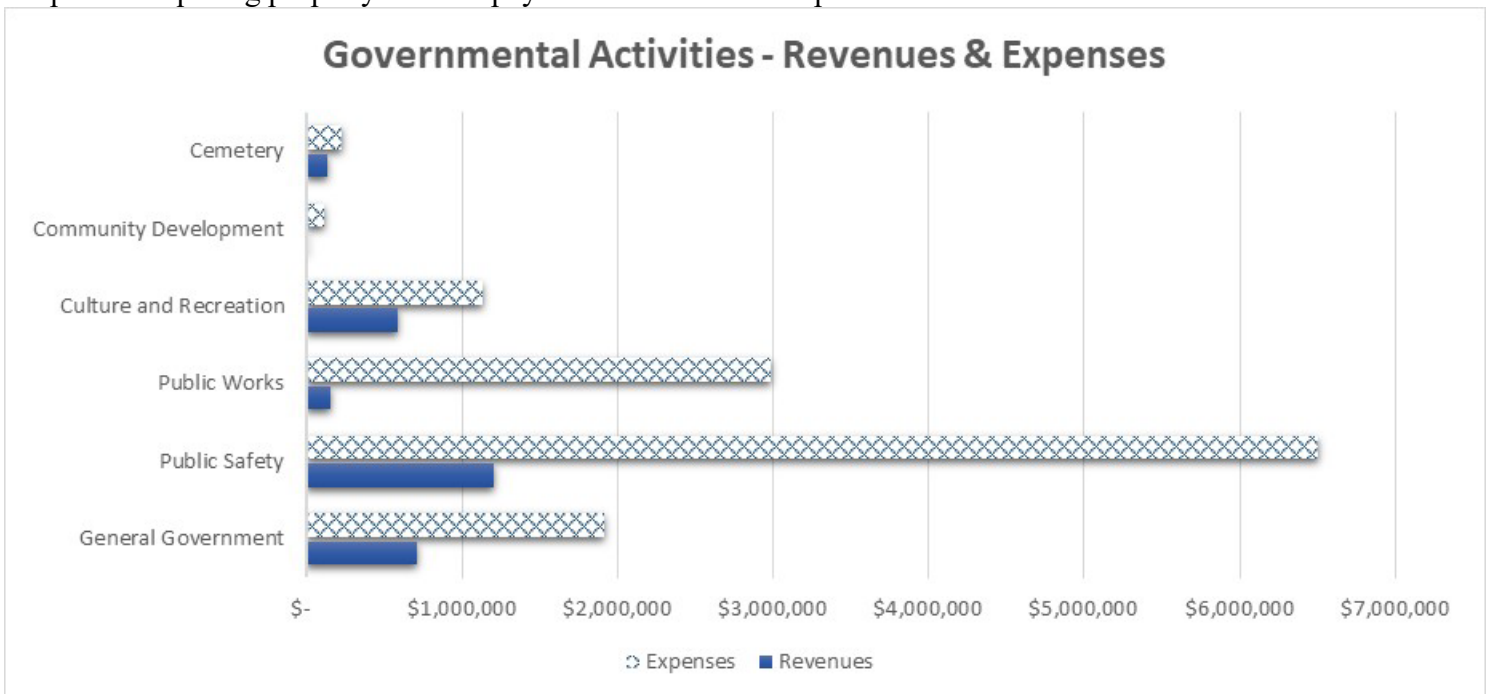
- Total governmental revenues decreased by (6.70%) or (\$946,293) from 2021 to 2022. This was driven by an increase in property taxes and charges for services but grants and contributions decreased significantly from the prior year.
- Property and local option tax revenues increased 3.29% or \$337,635 from the previous year as a result of an increase of 2.28% in the property tax rate to \$1.9578 per \$100 of assessed value from \$1.9141 in 2021.
- Total governmental activities' expenses decreased by (1.85%) or (\$248,131) from 2021 to 2022. Public safety remains the largest category of expenses year over year. Public safety expenses at the end of 2022 were \$6,508,122, which is a decrease of (9.00%) or (\$640,989).

CITY OF BARRE, VERMONT
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2022

The majority of revenue for governmental activities comes from property and local option taxes; 78% of total revenue or \$10,587,808. Charges for services are the second largest category of revenue at 13% of total revenue or \$1,739,113. 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.

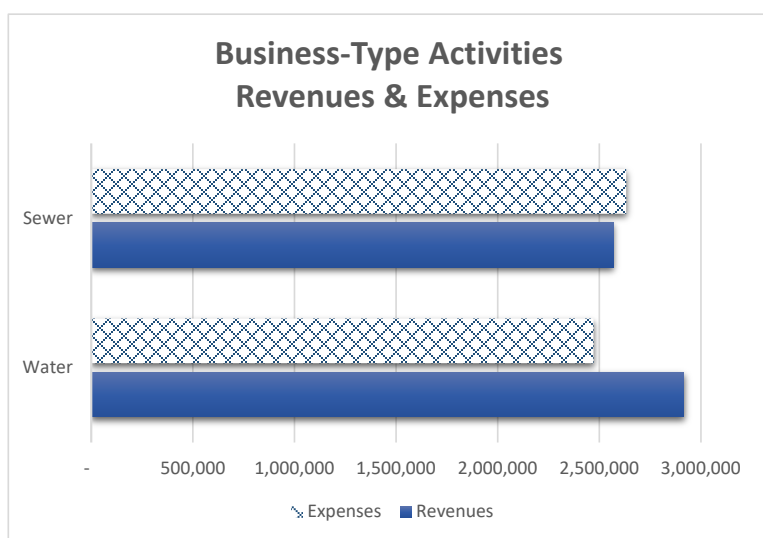


CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Business-type activities (Water and Sewer Funds):

Business-type activities increased the City's net position by \$380,729 during the current fiscal year. Key elements of this change are as follows:

- Sewer Fund was (\$64,192) 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 2.07% or \$51,447. Sewer response and repairs are continuing to increase in frequency as our system ages, specifically repairs to the wastewater treatment plant.
- Water Fund ended FY22 with a change in net position of \$444,921, making the total net position of \$11,691,768. Of that total, \$8,428,197 reflects the investment in capital assets, net of outstanding debt used to acquire or construct those assets and \$3,263,571 is unrestricted.



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

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

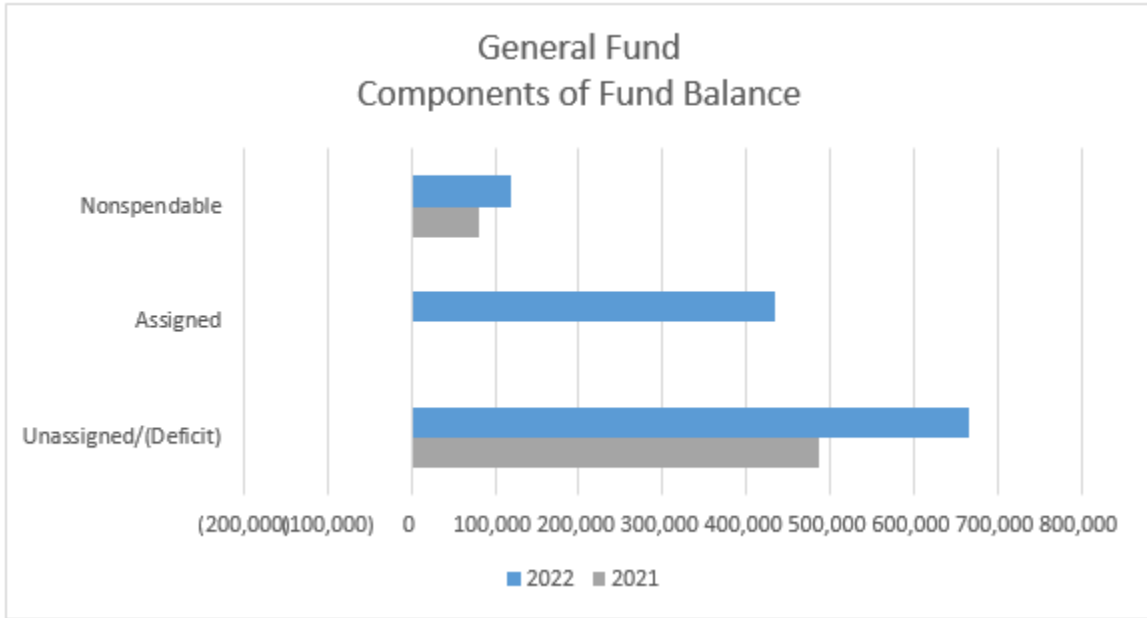
Governmental Funds

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

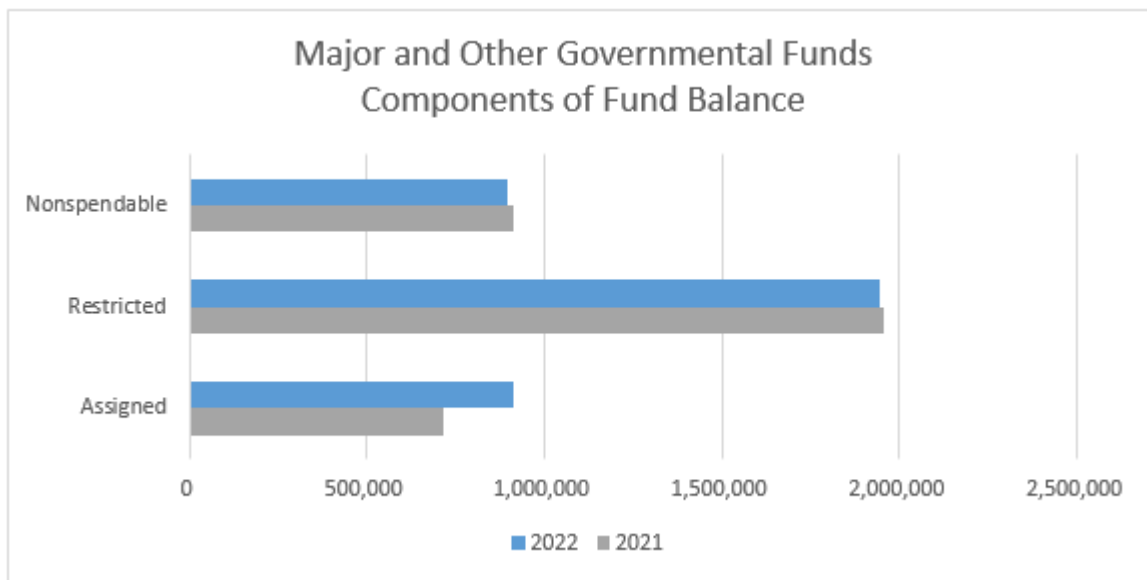
At June 30, 2022, the City's governmental funds reported combined fund balances of \$4,970,981, an increase 19.58% or \$814,029 in comparison with the prior fiscal year. The unassigned fund balance is \$666,584 which is an increase of 36.96% or \$179,890 from the prior fiscal year. The remainder of the fund balance is either nonspendable \$1,013,466, restricted for particular purposes \$1,944,668, or assigned by the City for specific purposes \$1,346,263. The components of each category are detailed in Footnote IV. J. Fund Balances.

CITY OF BARRE, VERMONT
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2022

The general fund is the chief operating fund of the City. At the end of the fiscal year, total fund balance in the general fund was \$1,218,859 an increase of \$649,638 from the previous year. Of this amount, \$118,624 is in nonspendable form (prepaid expenses and inventory). Of the remaining amount, \$666,584 is the fund unassigned balance.



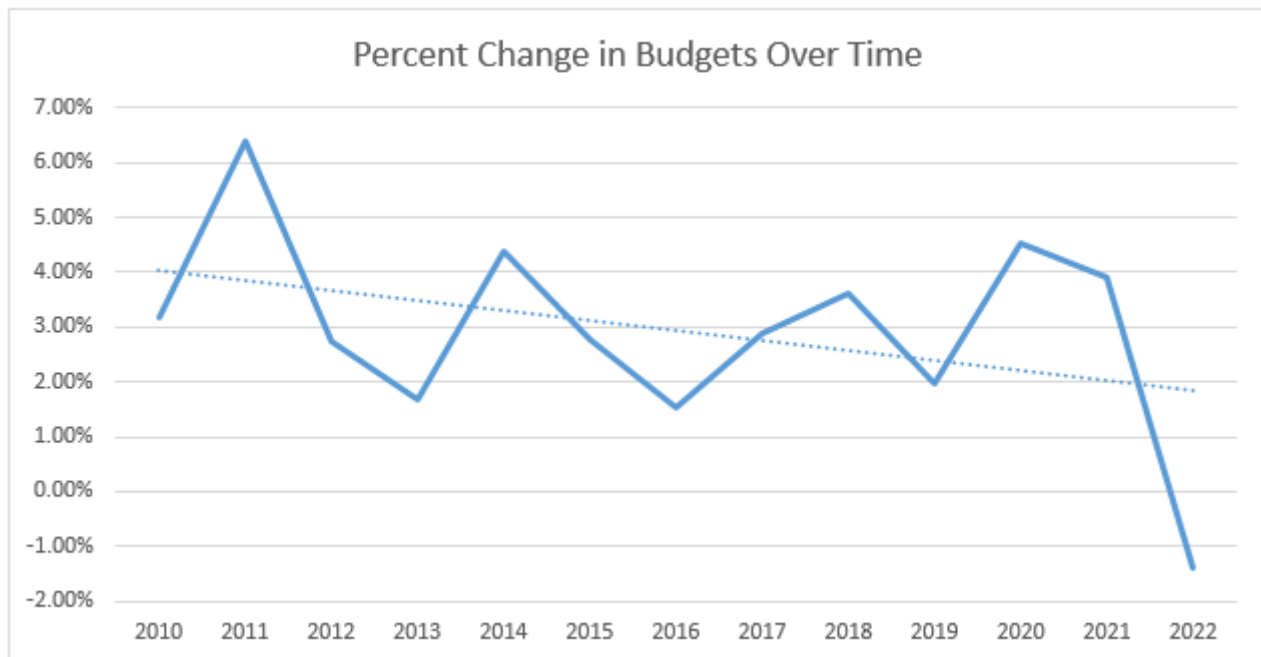
In the governmental funds other than the general fund, the most noteworthy change to the fund balance is a \$195,297 increase in the assigned fund balance of \$912,612. The capital improvement fund increased its assigned fund balance by \$131,202 and the special fund increased its assigned fund balance by \$64,743.



CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

GENERAL FUND BUDGETARY HIGHLIGHTS:

The City's budget for the year ended June 30, 2022 passed on the first vote in March of 2021. There were no budget amendments made during the year. The City's FY22 general fund budget total \$12,836,332 decreased (1.38%) from FY21 as the budget wasn't rightsized after the COVID impact. Actual results on the year were a surplus of \$649,638. Revenues came in ahead of budget by 2.25% or \$289,509. The Health Resources and Services Administration provided \$158,231 to the City in FY22 for EMS Provider Relief Funds. The City was impacted by the nationwide labor shortage and struggled to fill key city positions such as a City Assessor and Permit Administrator. Although not desired, this impact resulted in vacancy savings allowing for the expenditures to be underspent by 2.81% or \$360,129.



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, 2022, totaled \$61,253,782 (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 FY22 by \$1,743,347. Combined depreciation for the fiscal year is \$2,856,868. With the City disposing of assets totaling \$42,852, net of accumulated depreciation, and the combined accumulated depreciation exceeding the combined investment in capital assets, caused a net decrease in capital assets of \$1,156,373.

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

- Vehicles and equipment purchased in FY22 consisted of the following: Police Department –Ford Cruiser and Speed Cart; Fire Department – Defibrillators; Streets Department – Line Striper; City Hall – Heat Pumps; Cemetery – Scag Lawn Mower; Water – Generator, Hyundai Sonata, Backwash Pump, Potassium Permanganate Feeder, Toyota Tacoma; Sewer – Grinder Pump, Dodge Promaster Van, HVAC Unit

CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

- Infrastructure additions: Storm sewer: Merchant St. and Warren St.; Paving: Camp Street, Parkside Terrace, and Prospect St.; Sidewalks: Ayers St. and Perry St.
- Water Line: Perry St.
- Sewer Lines: Camp St., Orange St.
- Construction in progress: DPW Campus; Warren St. Reconstruction; Merchant St. and Warren Street Sidewalk Reconstruction; Metro-Way Bike Path; Maple St. & Merchant St. (VTrans Project); Boiler for Digester; Methane Safety Flare; North End Pump Station

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

- Vehicle and equipment deletions included: Chevy Impala, Chevy Tahoe, Ford Fusion, Chevy Suburban, and Defibrillators

The Police Department transferred a Nissan Titan to the Sewer Treatment Plant.

Summary of Capital Assets

	Governmental Activities		Business-type Activities		Total Government	
	2022	2021	2022	2021	2022	2021
Capital Assets:						
Land	3,481,713	3,467,013	319,011	319,011	3,800,724	3,786,024
Works of Art	308,184	308,184	-	-	308,184	308,184
Construction in Progress	158,369	133,629	1,305,703	542,233	1,464,072	675,862
Buildings and Building Improvements	11,431,983	11,395,102	459,559	459,559	11,891,542	11,854,661
Vehicles, Machinery, Equipment and Furniture	8,459,388	8,525,145	1,846,521	1,700,472	10,305,909	10,225,617
Infrastructure	33,111,841	32,599,821	-	-	33,111,841	32,599,821
Cemetery Developments	823,929	823,929	-	-	823,929	823,929
Distribution and Collection Systems	-	-	38,702,561	38,617,367	38,702,561	38,617,367
	57,775,407	57,252,823	42,633,355	41,638,642	100,408,762	98,891,465
Less: Accumulated Depreciation	(21,209,545)	(19,346,229)	(17,945,435)	(17,135,081)	(39,154,980)	(36,481,310)
Total Assets, Net	36,565,862	37,906,594	24,687,920	24,503,561	61,253,782	62,410,155

Long Term Debt

The City began the year with \$18,509,793 in long-term debt outstanding. As of June 30, 2022 this amount had decreased by (\$1,335,513) or (7.22%) to end the current year at \$17,174,280.

Summary of Long Term Debt

	30-Jun-21	Additions	Deletions	30-Jun-22
Governmental Activities	8,326,079	-	713,002	7,613,077
Business-type Activities	10,183,714	-	622,511	9,561,203
Total Government	18,509,793	-	1,335,513	17,174,280

CITY OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Factors contributing to the change include the following:

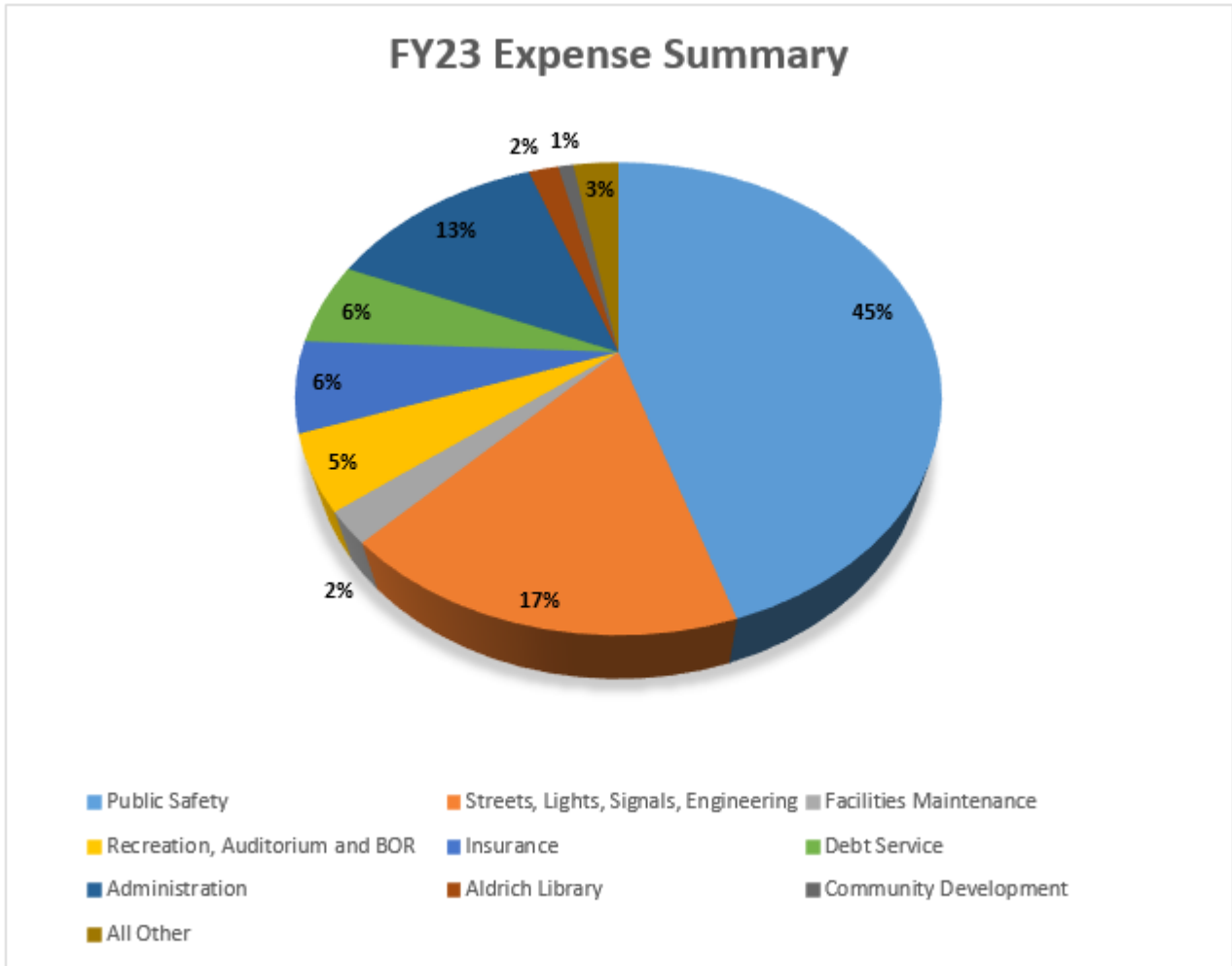
- Principal payments totaling \$713,002 were made on the governmental activities debt and principal payments totaling \$622,511 were made on the business-type activities debt.

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

NEXT YEAR'S BUDGET

Barre City voters approved a General Fund budget of \$13,194,159 for FY23 in March 2022. The budget represents an increase of \$357,827 or 2.79% over the FY22 budget. The municipal tax rate increased by 3.0749% to \$2.0180.

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



REQUESTS FOR INFORMATION

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

CITY OF BARRE, VERMONT
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash	\$ 4,973,147	\$ 200	\$ 4,973,347
Restricted Cash and Cash Equivalents	901,819	2,407,821	3,309,640
Investments	1,583,787	0	1,583,787
Receivables (Net of Allowance for Uncollectibles)	784,413	1,687,395	2,471,808
Internal Balances	(1,187,084)	1,187,084	0
Prepaid Expenses	28,049	0	28,049
Inventory	161,525	460,765	622,290
Capital Assets:			
Land	3,481,713	319,011	3,800,724
Works of Art	308,184	0	308,184
Construction in Progress	158,369	1,305,703	1,464,072
Other Capital Assets, (Net of Accumulated Depreciation)	32,617,596	23,063,206	55,680,802
Total Assets	<u>43,811,518</u>	<u>30,431,185</u>	<u>74,242,703</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the City's Participation in VMERS	<u>1,450,316</u>	<u>154,656</u>	<u>1,604,972</u>
Total Deferred Outflows of Resources	<u>1,450,316</u>	<u>154,656</u>	<u>1,604,972</u>
<u>LIABILITIES</u>			
Accounts Payable	436,378	250,041	686,419
Accrued Payroll and Benefits Payable	154,057	20,440	174,497
Unearned Revenue	1,320,340	0	1,320,340
Due to State of Vermont	0	428,417	428,417
Due to Others	3,551	0	3,551
Accrued Interest Payable	53,775	54,264	108,039
Noncurrent Liabilities:			
Due within One Year	726,234	643,666	1,369,900
Due in More than One Year	10,154,667	9,330,311	19,484,978
Total Liabilities	<u>12,849,002</u>	<u>10,727,139</u>	<u>23,576,141</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows of Resources Related to the City's Participation in VMERS	<u>1,676,655</u>	<u>178,792</u>	<u>1,855,447</u>
Total Deferred Inflows of Resources	<u>1,676,655</u>	<u>178,792</u>	<u>1,855,447</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	29,722,135	16,952,107	46,674,242
Restricted:			
Non-Expendable:			
Cemetery	823,892	0	823,892
Expendable:			
Bike Path and Non-Operating Expenditures	560,840	0	560,840
Cemetery	197,453	0	197,453
TIF District	115,444	0	115,444
Other Purposes	301,581	0	301,581
Unrestricted/(Deficit)	<u>(985,168)</u>	<u>2,727,803</u>	<u>1,742,635</u>
Total Net Position	<u>\$ 30,736,177</u>	<u>\$ 19,679,910</u>	<u>\$ 50,416,087</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, 2022

	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	\$ 1,912,425	\$ 621,152	\$ 86,535	\$ 5,755	\$ (1,198,983)	\$ 0	\$ (1,198,983)
Public Safety	6,508,122	776,694	409,847	16,344	(5,305,237)	0	(5,305,237)
Public Works	2,986,810	0	158,231	0	(2,828,579)	0	(2,828,579)
Culture and Recreation	1,133,936	204,765	27,294	357,958	(543,919)	0	(543,919)
Community Development	118,044	0	0	0	(118,044)	0	(118,044)
Cemetery	231,923	136,502	100	0	(95,321)	0	(95,321)
Interest on Long-term Debt	239,032	0	0	0	(239,032)	0	(239,032)
Total Governmental Activities	13,130,292	1,739,113	682,007	380,057	(10,329,115)	0	(10,329,115)
Business-type Activities:							
Water	2,471,569	2,915,312	0	0	0	443,743	443,743
Sewer	2,632,295	2,546,201	0	0	0	(86,094)	(86,094)
Total Business-type Activities	5,103,864	5,461,513	0	0	0	357,649	357,649
Total Primary Government	\$ 18,234,156	\$ 7,200,626	\$ 682,007	\$ 380,057	(10,329,115)	357,649	(9,971,466)
General Revenues:							
Property Taxes					10,004,870	0	10,004,870
Penalties and Interest on Delinquent Taxes					80,605	0	80,605
Local Option Sales Tax					152,047	0	152,047
Payments in Lieu of Taxes					350,286	0	350,286
Unrestricted Investment Earnings/(Loss)					(181,118)	2,604	(178,514)
Transfers:					(20,476)	20,476	0
Total General Revenues and Transfers					10,386,214	23,080	10,409,294
Change in Net Position					57,099	380,729	437,828
Net Position - July 1, 2021					30,679,078	19,299,181	49,978,259
Net Position - June 30, 2022					\$ 30,736,177	\$ 19,679,910	\$ 50,416,087

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

CITY OF BARRE, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Capital Improvement Fund	Special Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 3,297,415	\$ 0	\$ 1,276,263	\$ 399,469	\$ 4,973,147
Restricted Cash Equivalents	0	901,819	0	0	901,819
Investments	0	0	0	1,583,787	1,583,787
Receivables (Net of Allowance for Uncollectibles)	517,649	39,935	226,829	0	784,413
Due from Other Funds	0	530,044	518,305	51,921	1,100,270
Prepaid Items	28,049	0	0	0	28,049
Inventory	90,575	70,950	0	0	161,525
 Total Assets	 <u>\$ 3,933,688</u>	 <u>\$ 1,542,748</u>	 <u>\$ 2,021,397</u>	 <u>\$ 2,035,177</u>	 <u>\$ 9,533,010</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 397,735	\$ 32,747	\$ 3,317	\$ 2,579	\$ 436,378
Accrued Payroll and Benefits Payable	153,438	0	619	0	154,057
Advances from Other Funds	0	149,154	0	0	149,154
Due to Other Funds	1,907,575	0	0	230,625	2,138,200
Unearned Revenue	86,926	0	1,233,414	0	1,320,340
Due to Others	3,551	0	0	0	3,551
 Total Liabilities	 <u>2,549,225</u>	 <u>181,901</u>	 <u>1,237,350</u>	 <u>233,204</u>	 <u>4,201,680</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Unavailable Property Taxes, Penalties, Interest and Related Fees	134,500	0	0	0	134,500
Unavailable Ambulance Fees	23,000	0	0	0	23,000
Unavailable Grants	3,008	0	194,745	0	197,753
Unavailable Miscellaneous Revenue	5,096	0	0	0	5,096
 Total Deferred Inflows of Resources	 <u>165,604</u>	 <u>0</u>	 <u>194,745</u>	 <u>0</u>	 <u>360,349</u>
<u>FUND BALANCES</u>					
Nonspendable	118,624	70,950	0	823,892	1,013,466
Restricted	0	769,350	240,818	934,500	1,944,668
Assigned	433,651	520,547	348,484	43,581	1,346,263
Unassigned	666,584	0	0	0	666,584
 Total Fund Balances	 <u>1,218,859</u>	 <u>1,360,847</u>	 <u>589,302</u>	 <u>1,801,973</u>	 <u>4,970,981</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 3,933,688</u>	 <u>\$ 1,542,748</u>	 <u>\$ 2,021,397</u>	 <u>\$ 2,035,177</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.					36,565,862
Other Assets are not Available to Pay for Current-Period Expenditures and, Therefore, are Deferred in the Funds.					360,349
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.					(10,934,676)
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>(226,339)</u>
Net Position of Governmental Activities					<u>\$ 30,736,177</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, 2022

	General Fund	Capital Improvement Fund	Special Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Property Taxes	\$ 9,408,328	\$ 380,000	\$ 0	\$ 268,042	\$ 10,056,370
Penalties and Interest on Delinquent Taxes	80,605	0	0	0	80,605
Local Option Sales Tax	0	152,047	0	0	152,047
Payments in Lieu of Taxes	350,286	0	0	0	350,286
Intergovernmental	483,368	1,150	354,044	11,226	849,788
Charges for Services	2,070,509	30,424	0	7,005	2,107,938
Permits, Licenses and Fees	544,664	0	27,233	0	571,897
Fines and Forfeits	40,801	0	0	0	40,801
Investment Income/(Loss)	750	894	1,642	(184,404)	(181,118)
Donations	62,609	0	99,523	0	162,132
Total Revenues	<u>13,041,920</u>	<u>564,515</u>	<u>482,442</u>	<u>101,869</u>	<u>14,190,746</u>
Expenditures:					
General Government	2,724,456	45,230	4,461	7,359	2,781,506
Public Safety	5,968,540	5,117	130,178	10,765	6,114,600
Public Works	1,300,996	78,548	46,230	0	1,425,774
Culture and Recreation	935,181	8,821	21,860	35,780	1,001,642
Community Development	118,044	0	0	0	118,044
Cemetery	207,052	0	0	0	207,052
Capital Outlay:					
General Government	55,181	0	2,400	0	57,581
Public Safety	71,325	57,556	0	8,753	137,634
Public Works	190,246	362,620	0	0	552,866
Culture and Recreation	0	0	0	553	553
Debt Service:					
Principal	609,807	34,386	0	88,000	732,193
Interest	181,580	3,414	0	62,278	247,272
Total Expenditures	<u>12,362,408</u>	<u>595,692</u>	<u>205,129</u>	<u>213,488</u>	<u>13,376,717</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>679,512</u>	<u>(31,177)</u>	<u>277,313</u>	<u>(111,619)</u>	<u>814,029</u>
Other Financing Sources/(Uses):					
Transfers In	83,921	47,954	13,232	67,609	212,716
Transfers Out	(113,795)	(54,681)	0	(44,240)	(212,716)
Total Other Financing Sources/(Uses)	<u>(29,874)</u>	<u>(6,727)</u>	<u>13,232</u>	<u>23,369</u>	<u>0</u>
Net Change in Fund Balances	<u>649,638</u>	<u>(37,904)</u>	<u>290,545</u>	<u>(88,250)</u>	<u>814,029</u>
Fund Balances - July 1, 2021	<u>569,221</u>	<u>1,398,751</u>	<u>298,757</u>	<u>1,890,223</u>	<u>4,156,952</u>
Fund Balances - June 30, 2022	<u>\$ 1,218,859</u>	<u>\$ 1,360,847</u>	<u>\$ 589,302</u>	<u>\$ 1,801,973</u>	<u>\$ 4,970,981</u>

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

CITY OF BARRE, VERMONT
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2022

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)	\$	814,029
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$748,634) is allocated over their estimated useful lives and reported as depreciation expense (\$2,046,514). This is the amount by which capital outlays exceeded depreciation in the current period.		(1,297,880)
The net effect of various transactions involving capital assets (i.e., sales and losses on disposal of assets) is to reduce net position.		(22,376)
The City transferred a police department vehicle to the Sewer Fund during the year. This amount is the net effect on net position.		(20,476)
The issuance of long-term debt (\$-0-) (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$732,193) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		732,193
Governmental funds report employer pension contributions as expenditures (\$432,978). However, in the statement of activities, the cost of pension benefits earned net of employee contributions (\$579,664) is reported as pension expense. This amount is the net effect of the differences in the treatment of pension expense.		(146,686)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(10,278)
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>8,573</u>
Change in net position of governmental activities (Exhibit B)	\$	<u><u>57,099</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, 2022

	Water Fund	Sewer Fund	Total
<u>ASSETS</u>			
Current Assets:			
Cash	\$ 200	\$ 0	\$ 200
Restricted Cash Equivalents	1,247,361	1,160,460	2,407,821
Receivables (Net of Allowance for Uncollectibles)	784,544	902,851	1,687,395
Advances to Other Funds - Current Portion	0	149,154	149,154
Due from Other Funds	2,446,041	0	2,446,041
Inventory	343,763	117,002	460,765
Total Current Assets	<u>4,821,909</u>	<u>2,329,467</u>	<u>7,151,376</u>
Noncurrent Assets:			
Capital Assets:			
Land	210,011	109,000	319,011
Construction in Progress	93,793	1,211,910	1,305,703
Buildings and Building Improvements	10,194	449,365	459,559
Vehicles, Machinery, Equipment and Furniture	275,953	1,570,568	1,846,521
Distribution and Collection Systems	23,920,944	14,781,617	38,702,561
Less: Accumulated Depreciation	<u>(10,762,156)</u>	<u>(7,183,279)</u>	<u>(17,945,435)</u>
Total Noncurrent Assets	<u>13,748,739</u>	<u>10,939,181</u>	<u>24,687,920</u>
Total Assets	<u>18,570,648</u>	<u>13,268,648</u>	<u>31,839,296</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the City's Participation in VMERS			
	<u>87,711</u>	<u>66,945</u>	<u>154,656</u>
Total Deferred Outflows of Resources	<u>87,711</u>	<u>66,945</u>	<u>154,656</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	50,200	199,841	250,041
Accrued Payroll and Benefits Payable	10,680	9,760	20,440
Due to Other Funds	0	1,408,111	1,408,111
Due to State of Vermont - Current Portion	0	324,395	324,395
Accrued Interest Payable	38,896	15,368	54,264
Notes Payable - Current Portion	62,915	0	62,915
General Obligation Bonds Payable - Current Portion	<u>348,906</u>	<u>231,845</u>	<u>580,751</u>
Total Current Liabilities	<u>511,597</u>	<u>2,189,320</u>	<u>2,700,917</u>
Noncurrent Liabilities:			
Due to State of Vermont - Noncurrent Portion	0	104,022	104,022
Compensated Absences Payable	49,670	78,741	128,411
Net Pension Liability	161,272	123,091	284,363
Notes Payable - Noncurrent Portion	197,473	0	197,473
General Obligation Bonds Payable - Noncurrent Portion	<u>5,945,180</u>	<u>2,774,884</u>	<u>8,720,064</u>
Total Noncurrent Liabilities	<u>6,353,595</u>	<u>3,080,738</u>	<u>9,434,333</u>
Total Liabilities	<u>6,865,192</u>	<u>5,270,058</u>	<u>12,135,250</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows of Resources Related to the City's Participation in VMERS			
	<u>101,399</u>	<u>77,393</u>	<u>178,792</u>
Total Deferred Inflows of Resources	<u>101,399</u>	<u>77,393</u>	<u>178,792</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	8,428,197	8,523,910	16,952,107
Unrestricted/(Deficit)	<u>3,263,571</u>	<u>(535,768)</u>	<u>2,727,803</u>
Total Net Position	<u>\$ 11,691,768</u>	<u>\$ 7,988,142</u>	<u>\$ 19,679,910</u>

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

CITY OF BARRE, VERMONT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Water Fund	Sewer Fund	Total
Operating Revenues:			
Charges for Services	\$ 2,882,305	\$ 2,526,275	\$ 5,408,580
Interest and Penalties	32,388	19,557	51,945
Other	619	369	988
Total Operating Revenues	2,915,312	2,546,201	5,461,513
Operating Expenses:			
Payroll and Benefits	672,988	627,361	1,300,349
Administrative Costs	493,851	493,851	987,702
Professional Services	28,762	28,818	57,580
Supplies	23,400	27,832	51,232
Utilities	130,055	302,595	432,650
Maintenance	248,217	182,774	430,991
Chemicals	106,463	160,151	266,614
Permits & Testing	34,096	12,160	46,256
Taxes	57,552	0	57,552
Sludge Disposal	0	320,363	320,363
Depreciation	455,381	354,973	810,354
Other Operating Expenses	1,124	26,219	27,343
Total Operating Expenses	2,251,889	2,537,097	4,788,986
Operating Income	663,423	9,104	672,527
Non-Operating Revenues/(Expenses):			
Loss on Disposal of Assets	(827)	0	(827)
Investment Income	1,178	1,426	2,604
Interest Expense	(218,853)	(95,198)	(314,051)
Total Non-Operating Revenues/(Expenses)	(218,502)	(93,772)	(312,274)
Net Income/(Loss) Before Transfers	444,921	(84,668)	360,253
Transfers In	0	20,476	20,476
Change in Net Position	444,921	(64,192)	380,729
Net Position - July 1, 2021	11,246,847	8,052,334	19,299,181
Net Position - June 30, 2022	<u>\$ 11,691,768</u>	<u>\$ 7,988,142</u>	<u>\$ 19,679,910</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, 2022

	Water Fund	Sewer Fund	Total
Cash Flows From Operating Activities:			
Receipts from Customers and Users	\$ 2,919,620	\$ 2,483,563	\$ 5,403,183
Payments for Goods and Services	(757,725)	(1,109,446)	(1,867,171)
Payments for Interfund Services	(493,851)	(493,851)	(987,702)
Payments for Wages and Benefits	(635,601)	(618,052)	(1,253,653)
Net Cash Provided by Operating Activities	<u>1,032,443</u>	<u>262,214</u>	<u>1,294,657</u>
Cash Flows From Noncapital Financing Activities:			
(Increase)/Decrease in Due from Other Funds	(265,237)	0	(265,237)
Increase/(Decrease) in Due to Other Funds	0	684,753	684,753
(Increase)/Decrease in Advances to Other Funds	0	15,000	15,000
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>(265,237)</u>	<u>699,753</u>	<u>434,516</u>
Cash Flows From Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(64,726)	(813,393)	(878,119)
Payment to the State of Vermont for Big Dig Project	(66,676)	(462,573)	(529,249)
Principal Paid on Long-Term Debt	(397,479)	(225,032)	(622,511)
Interest Paid on Long-Term Debt	(221,416)	(95,959)	(317,375)
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(750,297)</u>	<u>(1,596,957)</u>	<u>(2,347,254)</u>
Cash Flows From Investing Activities:			
Receipt of Interest and Dividends	1,178	1,426	2,604
Net Cash Provided by Investing Activities	<u>1,178</u>	<u>1,426</u>	<u>2,604</u>
Net Increase/(Decrease) in Cash and Restricted Cash Equivalents	18,087	(633,564)	(615,477)
Cash and Restricted Cash Equivalents - July 1, 2021	<u>1,229,474</u>	<u>1,794,024</u>	<u>3,023,498</u>
Cash and Restricted Cash Equivalents - June 30, 2022	<u>\$ 1,247,561</u>	<u>\$ 1,160,460</u>	<u>\$ 2,408,021</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ 663,423	\$ 9,104	\$ 672,527
Depreciation	455,381	354,973	810,354
(Increase)/Decrease in Receivables	4,308	(62,638)	(58,330)
(Increase)/Decrease in Inventory	(127,691)	(77,051)	(204,742)
(Increase)/Decrease in Deferred Outflows of Resources Related to the City's Participation in VMERS	15,408	30,501	45,909
Increase/(Decrease) in Accounts Payable	(365)	28,517	28,152
Increase/(Decrease) in Accrued Payroll and Benefits Payable	5,677	2,093	7,770
Increase/(Decrease) in Compensated Absences Payable	12,283	20,654	32,937
Increase/(Decrease) in Net Pension Liability	(88,013)	(112,480)	(200,493)
Increase/(Decrease) in Deferred Inflows of Resources Related to the City's Participation in VMERS	92,032	68,541	160,573
Net Cash Provided by Operating Activities	<u>\$ 1,032,443</u>	<u>\$ 262,214</u>	<u>\$ 1,294,657</u>

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

The Water Fund wrote-off \$827 of projects that were included in construction in progress.

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

The Sewer Fund received a vehicle with a book value of \$20,476 from the Police Department.

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

CITY OF BARRE, VERMONT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

<u>ASSETS</u>	<u>Private-Purpose Trust Funds</u>	<u>Custodial Fund Education Tax Fund</u>
Cash and Cash Equivalents	\$ 90,876	\$ 0
Investments	<u>17,381</u>	<u>0</u>
Total Assets	<u>\$ 108,257</u>	<u>\$ 0</u>
 <u>LIABILITIES AND NET POSITION</u>		
Liabilities:	<u>\$ 0</u>	<u>\$ 0</u>
Net Position:		
Restricted:		
Held in Trust for Other Purposes	<u>108,257</u>	<u>0</u>
Total Net Position	<u>108,257</u>	<u>0</u>
Total Liabilities and Net Position	<u>\$ 108,257</u>	<u>\$ 0</u>

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

CITY OF BARRE, VERMONT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Private-Purpose Trust Funds</u>	<u>Custodial Fund Education Tax Fund</u>
Additions:		
Investment Income	\$ 86	\$ 0
Education Taxes Collected for Other Governments	<u>0</u>	<u>6,954,173</u>
Total Additions	<u>86</u>	<u>6,954,173</u>
Deductions:		
Education Taxes Distributed to Other Governments	<u>0</u>	<u>6,954,173</u>
Total Deductions	<u>0</u>	<u>6,954,173</u>
Change in Net Position	86	0
Net Position - July 1, 2021	<u>108,171</u>	<u>0</u>
Net Position - June 30, 2022	<u>\$ 108,257</u>	<u>\$ 0</u>

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

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022

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, 2022

Additionally, the City reports the following fund types:

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

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

C. Measurement Focus

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

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

D. Basis of Accounting

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

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

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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

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

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

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

E. Use of Estimates

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

F. New Pronouncement – Leases

Effective June 30, 2022, the City implemented GASB Statement No. 87, “Leases”. GASB Statement No. 87 increases the usefulness of governmental financial statements by requiring recognition of certain lease assets and liabilities for all leases, including those that previously were classified as operating leases and recognized as income by lessors and expenditures by lessees. This Statement replaces the previous lease accounting methodology and establishes a single model for lease accounting based on the foundational principle that leases are a financing of the right to use an underlying asset. The City currently has no lease arrangements applicable to this Statement.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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

1. Cash

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

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

2. Investments

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

3. Receivables

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

4. Internal Balances

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

5. Inventories and Prepaid Expenses/Items

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

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

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

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

6. Pensions

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

7. Deferred Outflows/Inflows of Resources

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

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

8. Capital Assets

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

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

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

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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

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

9. Compensated Absences

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

10. Long-term Liabilities

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

11. Fund Equity

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

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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

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

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

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

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

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

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

IV. DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

The City’s cash, cash equivalents and investments as of June 30, 2022 consisted of the following:

Restricted Cash and Cash Equivalents:	
Money Market Mutual Funds – U.S. Government Securities	\$3,272,896
Deposits Held by Investment Company	<u>36,744</u>
Total Restricted Cash and Cash Equivalents	<u>3,309,640</u>
Unrestricted Cash and Cash Equivalents:	
Deposits with Financial Institutions	4,973,504
Deposits held by Investment Company	365
Certificate of Deposit	89,379
Cash on Hand	<u>975</u>
Total Unrestricted Cash and Cash Equivalents	<u>5,064,223</u>
Total Cash and Cash Equivalents	<u>8,373,863</u>
Investments:	
Certificates of Deposit	95,798
Mutual Funds – Mixed Holdings	<u>1,505,370</u>
Total Investments	<u>1,601,168</u>
Total Cash, Cash Equivalents and Investments	<u>\$9,975,031</u>

The City has three (3) certificates of deposit at various banks ranging from \$17,381 to \$89,379 with interest rates ranging from 0.05% to 1.00%. All certificates of deposit mature during fiscal year 2023.

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.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

	<u>Book Balance</u>	<u>Bank Balance</u>
FDIC/SIPC Insured	\$ 489,580	\$ 489,580
Uninsured, Collateralized by U.S. Government Agencies Securities Held by the Pledging Financial Institution's Agent	<u>4,706,210</u>	<u>5,056,399</u>
Total	<u>\$5,195,790</u>	<u>\$5,545,979</u>

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

The book balance is comprised of the following:

Restricted Cash – Deposits held by Investment Company	\$ 36,744
Unrestricted Cash – Deposits with Financial Institutions	4,973,504
Unrestricted Cash – Deposits held by Investment Company	365
Unrestricted Cash Equivalent – Certificate of Deposit	89,379
Investments – Certificates of Deposit	<u>95,798</u>
Total	<u>\$5,195,790</u>

Interest Rate Risk

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

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.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Fair Value

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

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

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

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

The City has the following fair value measurements as of June 30, 2022:

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	\$ 1,505,370	\$ 1,505,370	\$ 0	\$ 0
Total	<u>\$ 1,505,370</u>	<u>\$ 1,505,370</u>	<u>\$ 0</u>	<u>\$ 0</u>

Restricted Cash and Cash Equivalents

In 2019, the City received a \$1.87 million bond from the Vermont Municipal Bond Bank for pool and infrastructure improvements and the purchase of capital equipment. Unspent bond proceeds and the interest earned are restricted for related projects and purchases or may be used to pay down the bond. The amount restricted as of June 30, 2022 is \$36,744.

In 2020, the City received a \$3.96 million bond from the Vermont Municipal Bond Bank, of which \$160,750 was allocated to the Capital Improvement Fund for infrastructure improvements, \$560,000 was allocated to the Capital Improvement Fund for miscellaneous improvements and TIF District audit fees, \$1,215,500 was allocated to the Water Fund for miscellaneous capital projects, \$1,123,750 was allocated to the Sewer Fund for miscellaneous capital projects, and \$900,000 was allocated to the Sewer Fund for biosolid projects. Unspent bond proceeds and the interest earned are restricted for related projects and purchases or may be used to pay down the bond. The amount restricted as of June 30, 2022 is \$2,737,332.

CITY OF BARRE, VERMONT
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In 2021, the City received a \$1.7 million bond from the Vermont Municipal Bond Bank, of which \$1,526,500 was allocated to the Capital Improvement Fund for infrastructure improvements and equipment needs, \$76,750 was allocated to the Water Fund for miscellaneous equipment needs, and \$96,750 was allocated to the Sewer Fund for miscellaneous equipment needs. Unspent bond proceeds and the interest earned are restricted for related projects and purchases or may be used to pay down the bond. The amount restricted as of June 30, 2022 is \$535,564.

B. Receivables

Receivables as of June 30, 2022, 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	\$ 282,306	\$ 0	\$ 282,306
Penalties and Interest Receivable	65,381	13,904	79,285
Local Option Sales Tax Receivable	39,935	0	39,935
Ambulance Receivable	173,239	0	173,239
Parking Tickets Receivable	657,621	0	657,621
Grants Receivable	297,135	0	297,135
Due from Other Entities	0	138,000	138,000
Billed Services	80,251	631,494	711,745
Unbilled Services	0	906,014	906,014
Miscellaneous Receivables	34,534	0	34,534
Allowance for Doubtful Accounts - Taxes	(99,000)	0	(99,000)
Allowance for Doubtful Accounts - Ambulance	(74,000)	0	(74,000)
Allowance for Doubtful Accounts - Parking Tickets	(644,184)	0	(644,184)
Allowance for Doubtful Accounts - Cemetery Fees	(14,980)	0	(14,980)
Allowance for Doubtful Accounts - Miscellaneous Fees	(13,825)	0	(13,825)
Allowance for Doubtful Accounts - Water/Sewer	0	(2,017)	(2,017)
	<u>\$ 784,413</u>	<u>\$ 1,687,395</u>	<u>\$ 2,471,808</u>

C. Notes Receivable

Notes receivable as of June 30, 2022 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
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CITY OF BARRE, VERMONT
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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, 2022	\$ <u><u>0</u></u>

CITY OF BARRE, VERMONT
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D. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 3,467,013	\$ 14,700	\$ 0	\$ 3,481,713
Works of Art	308,184	0	0	308,184
Construction in Progress	133,629	110,125	85,385	158,369
Total Capital Assets, Not Being Depreciated	<u>3,908,826</u>	<u>124,825</u>	<u>85,385</u>	<u>3,948,266</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	11,395,102	36,881	0	11,431,983
Vehicles, Machinery, Equipment and Furniture	8,525,145	160,293	226,050	8,459,388
Infrastructure	32,599,821	512,020	0	33,111,841
Cemetery Developments	823,929	0	0	823,929
Totals	<u>53,343,997</u>	<u>709,194</u>	<u>226,050</u>	<u>53,827,141</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	3,059,668	240,233	0	3,299,901
Vehicles, Machinery, Equipment and Furniture	4,831,489	469,664	183,198	5,117,955
Infrastructure	11,108,412	1,327,721	0	12,436,133
Cemetery Developments	346,660	8,896	0	355,556
Totals	<u>19,346,229</u>	<u>2,046,514</u>	<u>183,198</u>	<u>21,209,545</u>
Total Capital Assets, Being Depreciated	<u>33,997,768</u>	<u>(1,337,320)</u>	<u>42,852</u>	<u>32,617,596</u>
Governmental Activities Capital Assets, Net	<u>\$ 37,906,594</u>	<u>\$ (1,212,495)</u>	<u>\$ 128,237</u>	<u>\$ 36,565,862</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 319,011	\$ 0	\$ 0	\$ 319,011
Construction in Progress	542,233	865,648	102,178	1,305,703
Total Capital Assets, Not Being Depreciated	<u>861,244</u>	<u>865,648</u>	<u>102,178</u>	<u>1,624,714</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	459,559	0	0	459,559
Vehicles, Machinery, Equipment and Furniture	1,700,472	146,049	0	1,846,521
Distribution and Collection Systems	38,617,367	85,194	0	38,702,561
Totals	<u>40,777,398</u>	<u>231,243</u>	<u>0</u>	<u>41,008,641</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	423,619	4,758	0	428,377
Vehicles, Machinery, Equipment and Furniture	940,737	74,696	0	1,015,433
Distribution and Collection Systems	15,770,725	730,900	0	16,501,625
Totals	<u>17,135,081</u>	<u>810,354</u>	<u>0</u>	<u>17,945,435</u>
Total Capital Assets, Being Depreciated	<u>23,642,317</u>	<u>(579,111)</u>	<u>0</u>	<u>23,063,206</u>
Business-type Activities Capital Assets, Net	<u>\$ 24,503,561</u>	<u>\$ 286,537</u>	<u>\$ 102,178</u>	<u>\$ 24,687,920</u>

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Depreciation was charged as follows:

Governmental Activities:		Business-type Activities:	
General Government	\$ 112,019	Water	\$ 455,381
Public Safety	296,543	Sewer	<u>354,973</u>
Public Works	1,494,112		
Culture and Recreation	127,500		
Cemetery	<u>16,340</u>		
 Total Depreciation Expense - Governmental Activities	 <u>\$ 2,046,514</u>	 Total Depreciation Expense - Business-type Activities	 <u>\$ 810,354</u>

E. Interfund Balances and Activity

The composition of interfund balances as of June 30, 2022 are as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 0	\$ 1,907,575
Capital Improvement Fund	530,044	0
Special Fund	518,305	0
Non-Major Governmental Funds	51,921	230,625
Water Fund	2,446,041	0
Sewer Fund	<u>0</u>	<u>1,408,111</u>
	<u>\$ 3,546,311</u>	<u>\$ 3,546,311</u>

The composition of advances to/from other funds as of June 30, 2022 are as follows:

Fund	Advances to Other Funds	Advances from Other Funds
Sewer Fund	\$ 149,154	\$ 0
Capital Improvement Fund	<u>0</u>	<u>149,154</u>
	<u>\$ 149,154</u>	<u>\$ 149,154</u>

The purpose of the interfund loans were the purchase of land and a building at Enterprise Aly. The terms of the land and building purchase required annual payments of \$5,000 plus interest for four years beginning December 31, 2011 through December 31, 2015. The balance of the loan is \$149,154 and is currently due and payable. On October 25, 2022, the City Council assigned a portion of FY22 surplus to pay the remaining balance. Interest is calculated on the loan at the rate the Sewer Fund would have earned for that year. During 2022, average interest was 0.21%.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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Interfund transfers during the year ended June 30, 2022 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Capital Improvement Fund	\$ 15,369	Fund Debt Service
General Fund	Capital Improvement Fund	32,585	Appropriation
General Fund	Special Fund	3,232	Fund Project Expenses
General Fund	Semprebon Fund	62,609	Transfer Annuity Earnings
Capital Improvement Fund	General Fund	54,681	Appropriation
Semprebon Fund	Special Fund	10,000	Fund Project Expenses
Semprebon Fund	Shade Tree Improvement Fund	5,000	Fund Project Expenses
Cemetery Trust Fund	General Fund	500	Transfer Interest Earnings - Flowers
Cemetery Trust Fund	General Fund	25,000	Transfer Interest Earnings
Cemetery Trust Fund	General Fund	3,740	Fund Stone Repairs
Governmental Activities	Sewer Fund	20,476	Transfer Vehicle to Sewer Department
Total		<u>\$ 233,192</u>	

F. Deferred Outflows of Resources

Deferred outflows of resources in the governmental activities consists of \$497,021 from the difference between the expected and actual experience, \$421,508 from changes in assumptions and \$98,809 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 \$432,978 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the governmental activities is \$1,450,316.

Deferred outflows of resources in the business-type activities consists of \$53,000 from the difference between the expected and actual experience, \$44,948 from changes in assumptions and \$10,537 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 \$46,171 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the business-type activities is \$154,656.

Deferred outflows of resources in the Water Fund consists of \$30,058 from the difference between the expected and actual experience, \$25,492 from changes in assumptions and \$5,976 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 \$26,185 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the Water Fund is \$87,711.

Deferred outflows of resources in the Sewer Fund consists of \$22,942 from the difference between the expected and actual experience, \$19,456 from changes in assumptions and \$4,561 from changes in the City's proportional share of contributions related to the City's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$19,986 of required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the Sewer Fund is \$66,945.

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

G. Unearned Revenue

Unearned revenue in the General Fund consists of \$83,600 of rental property registration fees and \$3,326 of recreation registrations received in advance. Total unearned revenue in the General Fund is \$86,926.

Unearned revenue in the Special Fund is \$1,233,414 which is the unspent portion of the American Rescue Plan Act (ARPA) grant funds received in advance.

H. Deferred Inflows of Resources

Deferred inflows of resources in the governmental activities consists of \$1,572,346 from the difference between the projected and actual investment earnings and \$104,309 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 \$1,676,655.

Deferred inflows of resources in the business-type activities consists of \$167,668 from the difference between the projected and actual investment earnings and \$11,124 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 \$178,792.

Deferred inflows of resources in the General Fund consists of \$134,500 of delinquent property taxes, penalties, interest and related fees on those taxes, \$23,000 of ambulance fees, \$3,008 of grant revenue and \$5,096 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 \$165,604.

Deferred inflows of resources in the Special Fund consists of \$194,745 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 \$95,090 from the difference between the projected and actual investment earnings and \$6,309 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 \$101,399.

Deferred inflows of resources in the Sewer Fund consists of \$72,578 from the difference between the projected and actual investment earnings and \$4,815 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 \$77,393.

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

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

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

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

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

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

Long-term liabilities outstanding as of June 30, 2022 were as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Civic Center Improvements, Principal Payments Ranging from \$30,000 to \$35,000 Payable on December 1 Annually, Interest Rates Ranging from 2.80% to 5.18% Payable on June 1 and December 1, Due and Paid December, 2021	\$ 30,000	\$ 0	\$ 30,000	\$ 0

CITY OF BARRE, VERMONT
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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond 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	\$1,170,000	\$ 0	\$195,000	\$ 975,000
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.	402,858	0	38,571	364,287
Bond Payable, Vermont Municipal Bond Bank, Equipment and Infrastructure Improvements, Principal Payments of \$115,000 Payable on November 1 Annually, Interest Rates Ranging from 2.80% to 5.18% Payable on May 1 and November 1, Due November, 2028	920,000	0	115,000	805,000
Bond Payable, Vermont Municipal Bond Bank, Pool Refurbishment, Principal Payments of \$36,000 Payable on November 1 Annually, Interest Rates Ranging from 1.80% to 5.68% Payable on May 1 and November 1, Due November, 2038	648,000	0	36,000	612,000
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	29,250	0	3,250	26,000
Financed Purchase, Municipal Leasing Credit Corporation, Fire Truck, Interest at 3.3%, Principal and Interest Payments of \$50,552 Payable September 1 Annually, Due and Paid September, 2021	48,936	0	48,936	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, TIF District Bond, Principal Payments of \$88,000 Payable on November 1 Annually, Interest Ranging from 0.83% to 4.40% Payable on May 1 and November 1, Due November, 2040	\$1,760,000	\$ 0	\$ 88,000	\$1,672,000
Bond Payable, Vermont Municipal Bond Bank, Water & Wastewater Projects, Principal Payments of \$83,333 in Total, Payable on November 1 Annually, Interest Rates Ranging from 1.35% to 3.25%, Payable on May 1 and November 1 Due November, 2049. This is the Governmental Activities Portion of the Bond.	155,391	0	5,359	150,032
Bond Payable, Vermont Municipal Bond Bank, Capital Improvement Projects, Principal Payments of \$56,000 Payable on November 1 Annually, Interest Ranging from 1.35% to 2.70% Payable on May 1 and November 1, Due November, 2030	504,000	0	56,000	448,000
Financed Purchase, Municipal Leasing Consultants, Ambulance, Interest at 2.87%, Principal and Interest Payments of \$37,431 Payable December 27 Annually, Due December, 2023	106,144	0	34,386	71,758
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	600,000	0	37,500	562,500
Note Payable, Union Bank, Flood Mitigation Project, Principal Payments of \$25,000 Plus Interest Payable on October 25 Annually, Interest at 3.36%, Due October, 2037	425,000	0	25,000	400,000

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, Public Works Equipment and Infrastructure Bond, Principal Payments of \$76,325 Payable on November 1 Annually Beginning November, 2022, Interest Ranging from 0.45% to 2.901% Payable on May 1 and November 1, Due November, 2041	\$1,526,500	\$ 0	\$ 0	\$1,526,500
Total Governmental Activities	\$8,326,079	\$ 0	\$713,002	\$7,613,077
Business-type Activities:				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Water Fund:				
Bond Payable, Vermont Municipal Bond Bank, Water System Construction, Principal Payments Ranging from \$206,236 to \$412,764 Payable on November 15 Annually, Interest at 3.93% Payable on May 15 and November 15, Due November, 2034	\$ 4,552,443	\$ 0	\$250,075	\$4,302,368
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	110,837	0	7,389	103,448
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.	156,846	0	15,017	141,829
Bond Payable, State of Vermont Special Environmental Revolving Fund, Hydro Power Turbine, Principal Payments of \$9,298 Payable on July 1 Annually, Interest at 0%, Due July, 2044. The City made the July, 2022 in June, 2022.	213,859	0	9,298	204,561

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

	<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	\$ 344,442	\$ 0	\$ 13,778	\$ 330,664
Bond Payable, Vermont Municipal Bond Bank, Water and Wastewater Projects, Principal Payments of \$83,333 in total. Payable on November 1 Annually, Interest Rates Ranging from 1.35% to 3.25%, Payable on May 1 and November 1 Due November, 2049. This is the Water Fund Portion of the Bond.	1,174,983	0	40,517	1,134,466
Bond Payable, Vermont Municipal Bond Bank, Water Equipment & Infrastructure Bond, Principal Payments of \$3,838 Payable on November 1 Annually Beginning November, 2022, Interest Ranging from 0.45% to 2.901% Payable on May 1 and November 1, Due November, 2041	76,750	0	0	76,750
Note Payable, Community National Bank, Orange Reservoir Spillway, Principal and Interest Payments of \$68,771 Payable on October 14 Annually, Interest at 2.25%, Due October, 2025	<u>321,793</u>	<u>0</u>	<u>61,405</u>	<u>260,388</u>
Total Water Fund	<u>6,951,953</u>	<u>0</u>	<u>397,479</u>	<u>6,554,474</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	702,648	0	97,060	605,588

CITY OF BARRE, VERMONT
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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, Vermont Municipal Bond Bank, North Main Street Improvements, Principal Payments Ranging from \$85,000 to \$90,000 in Total, Payable on November 15 Annually, Interest Rates Ranging from 0.80% to 4.66% Payable on May 15 and November 15, Due November, 2031. This is the Sewer Fund Portion of the Bond. \$	380,298	\$ 0	\$ 36,411	\$ 343,887
Bond Payable, Vermont Municipal Bond Bank, Water & Wastewater Projects, Principal Payments of \$83,333 in total. Payable on November 1 Annually, Interest Rates Ranging from 1.35% to 3.25%, Payable on May 1 and November 1 Due November, 2049. This is the Sewer Fund Portion of the Bond.	1,086,290	0	37,458	1,048,832
Bond Payable, Vermont Municipal Bond Bank, Biosolid Projects, Principal Payments of \$45,000 Payable on November 1 Annually, Interest Rates Ranging from 1.35% to 3.123%, Payable on May 1 and November 1 Due November, 2039.	855,000	0	45,000	810,000
Bond Payable, Vermont Municipal Bond Bank, Sewer Treatment Plant HVAC Project, Interest at 2%, Principal and Interest Payments of \$11,319 Payable on February 1 Annually, Due February, 2032	110,775	0	9,103	101,672
Bond Payable, Vermont Municipal Bond Bank, Sewer Equipment & Infrastructure Bond, Principal Payments of \$4,838 Payable on November 1 Annually Beginning November, 2022, Interest Ranging from 0.45% to 2.901% Payable on May 1 and November 1, Due November, 2041	<u>96,750</u>	<u>0</u>	<u>0</u>	<u>96,750</u>
Total Sewer Fund	<u>3,231,761</u>	<u>0</u>	<u>225,032</u>	<u>3,006,729</u>
Total Business-type Activities	<u>\$10,183,714</u>	<u>\$ 0</u>	<u>\$622,511</u>	<u>\$9,561,203</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	\$ 7,116,749	\$ 0	\$ 563,930	\$ 6,552,819	\$ 608,112
Notes Payable	1,054,250	0	65,750	988,500	65,750
Financed Purchases	155,080	0	83,322	71,758	35,372
Due to the Vermont Granite Museum	19,191	0	19,191	0	0
VMERS Delayed Enrollment Liability	0	51,000	0	51,000	17,000
Compensated Absences Payable	601,482	0	51,332	550,150	0
Net Pension Liability	4,401,725	0	1,735,051	2,666,674	0
Total Governmental Activities Long-term Liabilities	\$ 13,348,477	\$ 51,000	\$ 2,518,576	\$ 10,880,901	\$ 726,234
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
General Obligation Bonds Payable	\$ 9,861,921	\$ 0	\$ 561,106	\$ 9,300,815	\$ 580,751
Notes Payable	321,793	0	61,405	260,388	62,915
Compensated Absences Payable	95,474	32,937	0	128,411	0
Net Pension Liability	484,856	0	200,493	284,363	0
Total Business-type Activities Long-term Liabilities	\$ 10,764,044	\$ 32,937	\$ 823,004	\$ 9,973,977	\$ 643,666

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

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

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

Debt service requirements to maturity are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	709,234	219,874	643,666	297,443
2024	710,249	199,524	659,445	277,780
2025	673,862	179,073	675,817	257,375
2026	673,862	155,612	692,914	236,091
2027	673,862	141,506	641,663	214,097
2028-2032	1,930,808	520,658	2,871,327	746,188
2033-2037	1,340,916	277,272	1,995,249	244,115
2038-2042	857,417	70,400	683,610	141,000
2043-2047	26,792	4,777	463,578	69,516
2048-2050	16,075	784	233,934	11,405
Total	\$ 7,613,077	\$ 1,769,480	\$ 9,561,203	\$ 2,495,010

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 Items	\$ 28,049
Nonspendable Inventory	<u>90,575</u>
Total General Fund	<u>118,624</u>

Capital Improvement Fund:

Nonspendable Inventory	<u>70,950</u>
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CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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Non-Major Funds

Permanent Fund:	
Nonspendable Cemetery Trust Fund Principal	\$ <u>823,892</u>
Total Nonspendable Fund Balances	<u>\$1,013,466</u>

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

Major Funds

Capital Improvement Fund:	
Restricted for Capital Improvements by Unspent Bond Proceeds (Source of Revenue is Bond Proceeds)	\$ <u>769,350</u>
Special Fund:	
Restricted for Donation Fund Expenditures by Donations (Source of Revenue is Donations)	17,690
Restricted for Restoration of Records by Statute (Source of Revenue is Recording Fees)	102,136
Restricted for Energy Committee Expenses by Donations (Source of Revenue is Donations)	2,503
Restricted for Civic Center/BOR Expenses by Donations (Source of Revenue is Donations)	111,701
Restricted for Recreation Expenses by Grant Agreement (Source of Revenue is Grant Revenue)	<u>6,788</u>
Total Special Fund	<u>240,818</u>

Non-Major Funds

Special Revenue Funds:	
Restricted for Community Development by Grant Agreements (Source of Revenue is Grant Revenue)	2,839
Restricted for Drug Forfeiture Expenditures by Agreement (Source of Revenue is Grant Revenue)	57,924
Restricted for Semprebbon Fund for the Bike Path and Other Non-Operating Expenditures by Bequest (Source of Revenue is Donations)	<u>554,526</u>
Total Special Revenue Funds	<u>615,289</u>

CITY OF BARRE, VERMONT
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Capital Projects Funds:

Restricted for Semprebon Fund for the Bike Path and Other Non-Operating Expenditures by Bequest-Designated for Shade Tree Improvement Expenditures (Source of Revenue is Donations)	\$ 6,314
Restricted for TIF District Debt Service by Statute (Source of Revenue is Property Taxes)	<u>115,444</u>
Total Capital Projects Funds	<u>121,758</u>

Permanent Fund:

Restricted for Cemetery Trust Fund Expenditures by Endowments and Trust Agreements	<u>197,453</u>
Total Non-Major Funds	<u>934,500</u>

Total Restricted Fund Balances \$1,944,668

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

Major Fund

General Fund:

Assigned for Committee Expenditures	\$ 1,358
Assigned for Capital Improvement Expenditures	233,139
Assigned for FY23 Budget Subsidies	50,000
Assigned for Interfund Loan Repayment	<u>149,154</u>
Total General Fund	<u>433,651</u>

Capital Improvement Fund:

Assigned for Capital Improvement Expenditures	<u>520,547</u>
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Special Fund:

Assigned for Reappraisal Expenses	420,057
Assigned for Recreation Programs	3,550
Assigned for ARPA Expenses	1,642
Assigned for Energy Committee Expenses	1,935
Assigned for Bike Path Maintenance Expenses	82,042
Assigned in Excess of Available Fund Balance	<u>(160,742)</u>
Total Special Fund	<u>348,484</u>

Non-Major Funds

Special Revenue Funds:

Assigned for Special Recreation Program Expenses	23,055
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CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Capital Projects Funds:	
Assigned for Shade Tree Improvement Expenditures	\$ <u>20,526</u>
Total Non-Major Funds	<u>43,581</u>
Total Assigned Fund Balances	<u>\$1,346,263</u>

K. Restricted and Designated Net Position

The restricted net position of the City as of June 30, 2022 consisted of the following:

Governmental Activities:

Restricted for Special Fund Expenditures by Donations, Statute and Grant Revenue	\$ 240,818
Restricted for Community Development by Grant Agreements	2,839
Restricted for Drug Forfeiture Expenditures by Agreement	57,924
Restricted for Semprebbon Fund for the Bike Path and Other Non-Operating Expenditures by Bequest	560,840
Restricted for TIF District Debt Service by Charter	115,444
Restricted for Cemetery Trust Fund Expenditures by Endowments and Trust Agreements – Non-Expendable Portion – Estimated	823,892
Restricted for Cemetery Trust Fund Expenditures by Endowments and Trust Agreements – Expendable Portion	<u>197,453</u>
Total Governmental Activities	<u>\$1,999,210</u>

The unrestricted deficit in the Sewer Fund of \$535,768 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, 2022 consisted of the following:

Private-Purpose Trust Funds:

Restricted for Keith Fund by Donations	\$ 17,381
Restricted for Brusa Fund by Bequest	<u>90,876</u>
Total Private-Purpose Trust Funds	<u>\$108,257</u>

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

V. OTHER INFORMATION

A. Benefit Plans

Defined Benefit Plan

The Vermont Municipal Employees' Retirement System (VMERS)

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for municipal and school district employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. As of June 30, 2021, the measurement date selected by the State of Vermont, the retirement system consisted of 353 participating employers.

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

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

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service.

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

As of June 30, 2021, the measurement date selected by the State of Vermont, VMERS was funded at 86.29% and had a plan fiduciary net position of \$926,034,330 and a total pension liability of \$1,073,218,528 resulting in a net position liability of \$147,184,198. As of June 30, 2022, the City's proportionate share of this was 2.0050% resulting in a net pension liability of \$2,951,037. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. 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 2.0050% was an increase of 0.0733 from its proportion measured as of the prior year.

CITY OF BARRE, VERMONT
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For the year ended June 30, 2022, the City recognized pension expense of \$631,826.

As of June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 550,021	\$ 0
Difference between projected and actual investment earnings on pension assets	0	1,740,014
Changes in assumptions	466,456	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	109,346	115,433
City's required employer contributions made subsequent to the measurement date	479,149	0
	\$ 1,604,972	\$ 1,855,447

The deferred outflows of resources resulting from the City's required employer contributions made subsequent to the measurement date in the amount of \$479,149 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. 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>	
2023	\$ (25,013)
2024	(69,995)
2025	(189,949)
2026	(444,667)
Total	\$(<u>729,624</u>)

Summary of System Provisions

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

Creditable Service – Service as a member plus purchased service.

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

Service Retirement Allowance:

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

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

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

Early Retirement Allowance:

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

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

Vested Retirement Allowance:

Eligibility – Five (5) years of service.

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

Disability Retirement Allowance:

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

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

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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Death Benefit:

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

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

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

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

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

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

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

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

Significant Actuarial Assumptions and Methods

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

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

Mortality:

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

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

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

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

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

Cost-of-Living Adjustments: 1.10% for Group A members and 1.20% for Groups B, C and D members. The January 1, 2021 COLA is 0.40% for all groups. The January 1, 2022 COLA is 2.00% for Group A members and 2.30% for Groups B, C and D members.

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

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

Inflation: 2.30%

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, 2021 are summarized in the following table:

CITY OF BARRE, VERMONT
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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Passive Global Equities	24%	5.05%
Active Global Equities	5%	5.05%
Large Cap US Equities	4%	4.00%
Small/Mid Cap US Equities	3%	4.50%
Non-US Developed Market Equities	7%	5.50%
Private Equity	10%	6.75%
Emerging Market Debt	4%	3.00%
Private & Alternate Credit	10%	4.75%
Non-Core Real Estate	4%	5.75%
Core Fixed Income	19%	0.00%
Core Real Estate	4%	3.75%
US TIPS	3%	(0.50)%
Infrastructure/Farmland	3%	4.25%

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed plan member and employer contributions will be made at rates set by the Board (employers) and statute (members). The Board voted to authorize employer contribution rate increases of 0.50% each year for a period of four years beginning July 1, 2022, to be offset by any increases in the employee contribution rates as negotiated with employee groups and approved by Legislature. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plans’ Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (6.00%) or one percent higher (8.00%):

<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
\$5,832,894	\$2,951,037	\$581,308

Additional Information

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

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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 2022 was 6% for employees with less than ten years of service, 8% for employees with more than ten but less than twenty years of service, and 12% for employees with more than twenty years of service. The City has not allowed new entrants into the plan since June 30, 2008. As of June 30, 2022, the plan had a balance of \$3,965,422 with 37 active participants.

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 \$6,994,151 while its covered payroll for this plan was \$264,497. During the year ended June 30, 2022, the City contributed \$42,320 to the Plan. Employees are 20% percent vested after two years of services and the vested portion increases 20% each year until fully vested after six years of service. All of the investments are self-directed by each employee.

Deferred Compensation Plan

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

B. Risk Management

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

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

CITY OF BARRE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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C. Property Taxes

The City is responsible for assessing and collecting its own property taxes, as well as education property taxes for the State of Vermont. Property taxes are assessed based on property valuations as of April 1, the voter approved budgets, voter and City Council approved exemptions and stabilizations, and the State education property tax liability. Property taxes are collected four (4) times per year. During the tax year ended June 30, 2022, property taxes became due and payable on September 15, 2021, November 15, 2021, February 15, 2022 and May 16, 2022. 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 2022 were as follows:

	<u>Homestead</u>	<u>Non-Homestead</u>
Education	1.4268	1.6974
Municipal	1.9578	1.9578
Local Agreement	<u>0.0191</u>	<u>0.0191</u>
Total	<u>3.4037</u>	<u>3.6743</u>

D. Related Party Transactions

The City Manager during the fiscal year 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, 2022 was \$34,202.

E. Gift Annuity

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

F. Lease Receivable

The City has an agreement to lease a portion of the municipal auditorium facility for the purpose of installation and operation of a telecommunications transmitter site. The lease was initially for five years with options to extend varying from a total of eight years to fifteen years. The lease is expected to expire May 1, 2023. Lease revenue totaled \$65,545 for the year ended June 30, 2022. The terms of the lease require payments of 30% of the gross monthly revenue.

G. Contingent Liabilities

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

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

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

There is an action being pursued by the Vermont Agency of Natural Resources against the City. This action relates to an alleged unauthorized sewage discharge into the Stevens Branch of the Winooski River. This action could result in penalties being assessed by the Agency against the City in an amount yet to be determined. The action is still in its early stages and difficult to estimate the potential ramification to the City.

H. Tax Increment Financing District

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

I. Property Tax Stabilization Agreements

STATEMENT OF PURPOSE

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

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AUTHORITY

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

GENERAL CRITERIA

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

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CONTRACT TERMS

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

- B. An approved Stabilization Agreement shall be for a specified number of years based on the amount of provable investment in the Project and shall adhere to the following schedule:
 - 1. 1 to 3 years for \$50,000-\$99,999 improvements;
 - 2. 4 years for \$100,000-\$199,999 improvements;
 - 3. 5-10 years for a project involving improvements of \$200,000 or more with the length of time to be determined at the discretion of the City Council after consideration of the recommendation of the City Assessor and City Manager.

- C. The tax Stabilization Agreement will include all of the municipal portion of the taxes and a percentage of between 0 and 100 percent of the education portion of property taxes. Where appropriate, the Applicant will be encouraged to apply to the Vermont Economic Progress Council (VEPC) for abatement of the education portion of the tax stabilization for projects.

- D. The City Council reserves the right to identify City prioritized areas and can thus award a bonus percentage of the education portion of the taxes to the Applicant's Project.

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

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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, 2022, the City has three (3) stabilization contracts. The municipal tax impact of the tax stabilization agreements was \$83,874, which was then spread over all other taxable properties. The impact on education taxes was \$72,718, which was taken into consideration when calculating the local agreement tax rate.

J. Big Dig Project

In May 2019, an agreement was reached between the Vermont Agency of Transportation and the City of Barre for the local share portion of the “Big Dig” project. The remaining payments are as follows:

2023	\$324,395
2024	\$104,022

K. Subsequent Events

Subsequent to year-end, the City will receive the second half of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program funds in the amount of \$1,274,621.

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
General Tax Revenue:			
General Taxes	\$ 9,273,768	\$ 9,216,422	\$ (57,346)
Washington County Tax	42,305	42,305	0
Voter Approved Assistance	149,601	149,601	0
Total General Tax Revenue	<u>9,465,674</u>	<u>9,408,328</u>	<u>(57,346)</u>
Business Licenses:			
Liquor Licenses	2,516	3,190	674
Miscellaneous Licenses	816	1,315	499
Restaurant Licenses	2,720	3,255	535
Taxicab and Taxidriver Licenses	1,360	189	(1,171)
Theater Licenses	170	252	82
Trucking, Rubbish and Waste	3,264	5,346	2,082
Entertainment	2,856	3,630	774
Total Business Licenses	<u>13,702</u>	<u>17,177</u>	<u>3,475</u>
Payment in Lieu of Taxes:			
Capstone	24,000	24,684	684
Barre Housing	45,000	77,974	32,974
State of Vermont	240,000	247,628	7,628
Total Payment in Lieu of Taxes	<u>309,000</u>	<u>350,286</u>	<u>41,286</u>
Fees and Franchises:			
Animal Control Licenses	5,500	5,872	372
Tax Equalization	0	3,361	3,361
Hold Harmless	0	7,762	7,762
Act 68 Administration Revenue	15,500	16,208	708
Building and Zoning Fees	48,000	39,085	(8,915)
Vehicle Registrations	350	204	(146)
Delinquent Tax Collector Fee	42,000	46,682	4,682
Parking Meters	80,000	85,768	5,768
Green Mountain Passports	50	68	18
Parking Permits	85,000	75,660	(9,340)
Marriage Licenses	600	610	10
Miscellaneous Income	4,000	19,694	15,694
Police Department Fees	5,000	3,940	(1,060)
Recording Fees	75,000	87,907	12,907
Recreation Fees	1,000	2,991	1,991
Swimming Pool Admissions/DAY CAMP	14,000	14,103	103
Concession Fees	1,500	0	(1,500)
Vault Fees	1,000	852	(148)
Cell Tower Fees	46,818	49,159	2,341

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Fees and Franchises/(Cont'd):			
Fire Alarm Maintenance Fees	\$ 14,000	\$ 13,650	\$ (350)
Rental Property Registration	110,000	108,533	(1,467)
Delinquent Rental Permits	1,000	552	(448)
Burn Permits	3,500	3,730	230
Credit Card Processing Fees	4,000	10,280	6,280
FD Public Report Fee	100	100	0
EV Charging Station	300	629	329
Time of Sale Inspection Fees	3,500	3,400	(100)
Vacant Building Registration	0	700	700
	<u>561,718</u>	<u>601,500</u>	<u>39,782</u>
Fines and Penalties:			
City Ordinance Violations	2,500	3,843	1,343
Penalties and Interest on Miscellaneous Fines	2,600	1,855	(745)
Delinquent Tax Interest	26,000	33,923	7,923
Traffic Court	20,000	9,404	(10,596)
Parking Tickets	31,500	25,699	(5,801)
	<u>82,600</u>	<u>74,724</u>	<u>(7,876)</u>
Federal and State Aid:			
Federal Grants	0	16,130	16,130
State Reimbursements	0	22,266	22,266
Federal Stimulus Aid - COVID19 Ambulance	0	70,623	70,623
Highway Aid	140,000	158,231	18,231
COPS Police Grant	83,332	94,707	11,375
SoV BGS PD Contract Fees	0	5,318	5,318
Police Grants	1,000	2,486	1,486
State SIU Grant	60,000	60,000	0
ODV Circle Grant	44,000	26,276	(17,724)
	<u>328,332</u>	<u>456,037</u>	<u>127,705</u>
Rents and Leases:			
Auditorium	36,935	62,318	25,383
Alumni Rental/lease	15,338	9,300	(6,038)
BOR Rents and Leases	124,428	140,017	15,589
Special Projects - Custodial Fees	6,649	8,363	1,714
Miscellaneous Rents	500	48	(452)
	<u>183,850</u>	<u>220,046</u>	<u>36,196</u>

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Charges for Services:			
Williston FD	\$ 30,000	\$ 31,948	\$ 1,948
First Branch Ambulance Billing	11,000	11,301	301
East Montpelier Ambulance Billing	13,000	12,100	(900)
Ambulance Inc - Lift Assist	450,000	503,697	53,697
Enterprise Funds	987,702	987,702	0
City Report - School	2,500	2,500	0
Operation/Maintenance - Jail	7,100	9,558	2,458
Dispatch Services	52,770	53,027	257
School Resource Officers	80,095	79,570	(525)
Special Projects - Police Detail	15,000	20,405	5,405
Special Projects - Fire Detail	7,000	7,998	998
	<u>1,656,167</u>	<u>1,719,806</u>	<u>63,639</u>
Total Charges for Services			
Cemetery Revenue:			
Rents	5,253	5,252	(1)
Perpetual Care Fund Transfer	0	3,740	3,740
Flower Trust Fund Transfer	500	500	0
Trust Fund Interest	25,000	25,000	0
Entombments	1,000	200	(800)
Foundations	6,000	9,616	3,616
Interments	50,000	83,313	33,313
Markers/Post	1,500	2,125	625
Tent Setups	500	300	(200)
Lot Sales	22,500	28,284	5,784
Tours/DVD Sales	1,250	1,566	316
	<u>113,503</u>	<u>159,896</u>	<u>46,393</u>
Total Cemetery Revenue			
Miscellaneous Revenue:			
Interest Income	16,000	751	(15,249)
Limelite Settlement	1,105	0	(1,105)
Transfers from Other Funds	54,681	54,681	0
Semprebon Annuity	50,000	62,609	12,609
	<u>121,786</u>	<u>118,041</u>	<u>(3,745)</u>
Total Miscellaneous Revenue			
	<u>12,836,332</u>	<u>13,125,841</u>	<u>289,509</u>
Total Revenues			

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	<u>Budget</u>	<u>Actual</u>	Variance Favorable/ (Unfavorable)
Expenditures:			
Administrative and General:			
Personnel Services	\$ 8,000	\$ 6,333	\$ 1,667
FICA	612	440	172
City Council's Expenses	30,000	27,706	2,294
Telephone	210	201	9
Office Machines Maintenance	10,200	9,650	550
Annual Audit	27,200	27,200	0
City Report	6,500	7,323	(823)
Dues/Membership Fees	26,500	25,791	709
Holiday Observance	2,000	0	2,000
Postage Meter Contract	1,577	1,861	(284)
Advertising/Printing	12,000	18,980	(6,980)
Office Machines Supplies	3,000	2,669	331
Postage For Meter	16,500	13,968	2,532
Email Licenses	4,000	4,450	(450)
Software/City Hall	7,400	8,017	(617)
Printer/City Hall	3,500	5,172	(1,672)
Working Community Grant Match	5,000	0	5,000
Interpretive Services	1,000	1,000	0
COVID-19 Materials	0	4,383	(4,383)
	<u>165,199</u>	<u>165,144</u>	<u>55</u>
Total Administrative and General			
Assessor:			
Personnel Services	112,035	55,239	56,796
Overtime	250	148	102
FICA	4,209	4,200	9
Training and Development	300	30	270
Telephone	840	805	35
Equipment Purchase/SW Licenses	5,500	3,459	2,041
Advertising/Printing	300	1,639	(1,339)
Glasses	200	0	200
Office Supplies	500	10	490
Office Equipment	500	230	270
Contracted Services	0	315	(315)
	<u>124,634</u>	<u>66,075</u>	<u>58,559</u>
Total Assessor			
Legal Expenses:			
Professional Services - City Attorney	22,000	38,699	(16,699)
Professional Services - Labor	5,000	2,375	2,625
Contract Negotiations	20,000	28,377	(8,377)
	<u>47,000</u>	<u>69,451</u>	<u>(22,451)</u>
Total Legal Expenses			

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	Budget	Actual	Variance Favorable/ (Unfavorable)
City Manager:			
Personnel Services	\$ 223,400	\$ 234,244	\$ (10,844)
Overtime	0	327	(327)
FICA	17,090	17,703	(613)
IT Contract	2,800	3,345	(545)
Website Vendor Maintenance	1,250	1,062	188
Network HW/SW Expenses	750	168	582
Training/Development	2,000	569	1,431
Manager's Expenses	1,500	676	824
Secure Shred	1,250	577	673
Telephone	3,400	2,888	512
Dues/Memberships	1,500	235	1,265
Advertising/Printing	1,000	204	796
Car Maintenance and Supplies	2,882	2,932	(50)
Glasses	570	595	(25)
Office Supplies/Equipment	1,500	1,687	(187)
Computer Equipment/Software	1,200	6,303	(5,103)
	<u>262,092</u>	<u>273,515</u>	<u>(11,423)</u>
Total City Manager			
	<u>262,092</u>	<u>273,515</u>	<u>(11,423)</u>
Finance:			
Personnel Services	188,323	201,785	(13,462)
Overtime Allowance	2,000	137	1,863
FICA	14,560	14,521	39
Consultant Fees	0	230	(230)
Training/Development	750	98	652
Travel/Meals	200	119	81
Telephone	1,210	1,388	(178)
Equipment Purchase Contract	5,150	5,000	150
Advertising/Printing	1,000	1,029	(29)
Computer Maintenance	500	0	500
Glasses	565	726	(161)
Computer Supplies	500	0	500
Computer Forms	1,500	437	1,063
Office Supplies	1,500	1,865	(365)
Computer Equipment/Software	0	2,215	(2,215)
Annual Disaster Recovery	575	580	(5)
	<u>218,333</u>	<u>230,130</u>	<u>(11,797)</u>
Total Finance			
	<u>218,333</u>	<u>230,130</u>	<u>(11,797)</u>
Elections:			
Personnel Services	3,000	2,359	641
Program Materials	5,000	6,183	(1,183)
BCA Expenses	250	0	250
	<u>8,250</u>	<u>8,542</u>	<u>(292)</u>
Total Elections			
	<u>8,250</u>	<u>8,542</u>	<u>(292)</u>

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Clerk's Office:			
Personnel Services	\$ 165,310	\$ 186,736	\$ (21,426)
Overtime Allowance	500	30	470
FICA	12,684	13,706	(1,022)
Training/Development	500	321	179
Travel/Meals	100	0	100
Telephone	1,500	1,208	292
Maintenance of Office Machines	200	0	200
Recording of Records	14,000	12,630	1,370
Advertising (Taxes)	4,000	4,872	(872)
Credit Card Expenses	7,000	12,735	(5,735)
Glasses	658	565	93
Office Supplies/Equipment	1,500	2,079	(579)
Program Materials	3,500	3,970	(470)
Computer Equipment/Software	500	0	500
Total Clerk's Office	211,952	238,852	(26,900)
Animal Control:			
Professional Services/Fees	3,000	1,400	1,600
Humane Society Fees	8,000	0	8,000
Total Animal Control	11,000	1,400	9,600
Fire Department:			
Regular Salaries	1,359,810	1,337,586	22,224
Overtime Salaries	185,841	204,953	(19,112)
Part-Time Employees	8,500	1,227	7,273
FICA	118,893	111,549	7,344
Consulting Fees	1,000	1,075	(75)
Ambulance Revenue Tax	14,850	13,798	1,052
Training/Development	4,500	1,205	3,295
Emgt Training/Development	5,300	2,533	2,767
Travel/Meals	1,500	1,385	115
Ambulance Billing Training	1,500	771	729
Telephone	7,500	8,422	(922)
Cell Phones	5,400	5,986	(586)
Dues/Membership Fees	2,500	2,612	(112)
Advertising/Printing	250	0	250
Physicals	5,000	110	4,890
Breathing Apparatus	15,000	16,663	(1,663)
Fire Hose	5,000	5,433	(433)
Radios/Pagers	5,000	2,399	2,601

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Fire Department/(Cont'd):			
Car and Truck Maintenance	\$ 35,000	\$ 33,629	\$ 1,371
Radio Repair	4,000	2,551	1,449
Fire Alarm Maintenance	2,000	4,180	(2,180)
Secure Vacant Property	500	624	(124)
Fuel Oil	200	43	157
Vehicle Fuel	14,830	19,710	(4,880)
Clothing	12,000	8,290	3,710
Safety Equipment	15,000	14,269	731
Footwear	4,850	3,410	1,440
Glasses	4,190	1,475	2,715
Dry Cleaning	750	594	156
Furniture/Appliances	2,400	2,400	0
Office Supplies	5,500	5,598	(98)
Medical Supplies and Equipment	32,000	28,023	3,977
Oxygen	2,000	1,085	915
Training Supplies	1,000	1,335	(335)
Defibulator Preventative Maintenance	5,500	74,896	(69,396)
Fire Prevention Program	500	571	(71)
Email Accounts	2,175	2,466	(291)
COVID-19 Materials	0	3,865	(3,865)
Computer Software/Office Equipment	17,400	17,799	(399)
Computer Replacement	2,000	0	2,000
Total Fire Department	1,911,139	1,944,520	(33,381)
City Hall Maintenance:			
Personnel Services	23,005	13,325	9,680
Overtime	0	259	(259)
FICA	1,760	947	813
Professional Services	0	458	(458)
City Hall Electricity	6,992	6,927	65
City Hall Solar Project	8,936	7,337	1,599
Rubbish Removal	2,800	2,506	294
Water Bills	3,000	2,339	661
City Hall Improvements/Repairs	25,000	76,918	(51,918)
Fuel Oil	35,474	36,760	(1,286)
Clothing	650	622	28
Footwear	100	83	17
Glasses	100	103	(3)
Custodial Supplies	2,500	1,676	824
Building/Grounds Supplies	2,000	1,332	668
Total City Hall Maintenance	112,317	151,592	(39,275)

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Meters:			
Personnel Services	\$ 67,517	\$ 67,617	\$ (100)
FICA	5,165	4,728	437
Electricity - Merchant's Row	0	943	(943)
EVCS Maintenance	600	0	600
Towing Fees	4,000	4,353	(353)
Pager/Air Cards	1,600	1,169	431
Meter Maintenance	2,000	346	1,654
Meter Coin Handling	1,000	0	1,000
Clothing	750	1,162	(412)
Footware	350	134	216
Glasses	185	0	185
Meter Supplies	4,500	2,789	1,711
Meter Systems - Software	4,000	3,442	558
Program Materials	1,000	985	15
Meter Handhelds Replacement	1,500	0	1,500
	<u>94,167</u>	<u>87,668</u>	<u>6,499</u>
Total Meters			
Police Department:			
Regular Salaries	1,354,710	1,331,221	23,489
COPS Grant	111,583	81,107	30,476
Overtime	228,000	267,760	(39,760)
Incentive Pay	4,500	2,600	1,900
Training Payroll	17,975	36,570	(18,595)
Part-Time Employees	0	15,388	(15,388)
FICA	129,803	127,343	2,460
Professional Services - Legal	1,000	375	625
Consultant Fees	500	0	500
Training and Development	5,000	6,031	(1,031)
Travel and Meals	1,000	2,013	(1,013)
Telephone	1,300	2,501	(1,201)
Computer Access	6,000	6,238	(238)
Office Machines Maintenance	13,615	21,688	(8,073)
Advertising	200	1,847	(1,647)
Lock-Up Meals	3,500	1,449	2,051
Physicals	500	0	500
Pagers	9,000	8,102	898
Car Maintenance	27,500	39,375	(11,875)
Taser Assurance Program	4,176	4,176	0
Taser Cartridges	2,000	2,181	(181)
Radio Repair	500	0	500
Vehicle Fuel	25,000	28,143	(3,143)
Clothing	5,000	6,738	(1,738)

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	Budget	Actual	Variance Favorable/ (Unfavorable)
Police Department/(Cont'd):			
Equipment - Safety	\$ 9,000	\$ 12,004	\$ (3,004)
Ammunition	7,000	6,533	467
Footwear	3,150	2,512	638
Glasses	3,330	613	2,717
Dry Cleaning	5,000	2,901	2,099
PD Security Equipment	1,000	0	1,000
Office Supplies	4,000	3,903	97
Training Supplies	1,000	1,070	(70)
Juvenile Program	500	0	500
K-9 Program	3,500	1,742	1,758
Investigations Materials	4,000	8,790	(4,790)
Lock-Up Materials	3,500	1,589	1,911
COVID-19 Materials	0	2,000	(2,000)
Computer Equipment/Software	3,500	5,595	(2,095)
Radios	0	1,035	(1,035)
OVW Grant Transfer	0	2,232	(2,232)
Total Police Department	2,000,842	2,045,365	(44,523)
Dispatch Services:			
Regular Salaries	382,670	361,567	21,103
Overtime	98,035	104,312	(6,277)
Training Payroll	2,247	66	2,181
Dispatcher	562	0	562
Part-time Dispatchers	29,949	27,539	2,410
Incentive Pay	400	0	400
FICA	39,310	36,650	2,660
Training/Development	1,000	454	546
Travel/Meals	1,000	0	1,000
Telephone	4,600	4,185	415
Computer Access	9,000	5,158	3,842
Office Machine Maintenance	1,000	4,599	(3,599)
Radio Maintenance	4,000	5,977	(1,977)
Glasses	1,110	301	809
Tower Rental Fee	2,100	2,087	13
Office Supplies/Equipment	2,000	1,242	758
Dispatch Center Console Maintenance	25,000	25,000	0
Computers	1,500	1,685	(185)
Total Dispatch Services	605,483	580,822	24,661
Street Lighting:			
Electricity	150,000	153,748	(3,748)
Pedway/Keith Ave Lot Lighting	1,600	1,568	32
Total Street Lighting	151,600	155,316	(3,716)
Traffic Control:			
Traffic Light Electricity	8,000	6,589	1,411
Traffic Light Maintenance	15,000	20,814	(5,814)
Total Traffic Control	23,000	27,403	(4,403)

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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, 2022

	<u>Budget</u>	<u>Actual</u>	Variance Favorable/ (Unfavorable)
Aldrich Library:	\$ 234,600	\$ 234,600	\$ 0
Facilities:			
Personnel Services	68,810	73,811	(5,001)
FICA	5,264	5,442	(178)
Electricity - 135N Main	2,000	907	1,093
Electricity - Pool	2,500	6,990	(4,490)
Water Bills	10,000	10,739	(739)
Car/Truck Maintenance	1,500	1,371	129
Field Maintenance	5,000	6,310	(1,310)
Pool and Building Maintenance	5,000	8,184	(3,184)
Fuel - 135N Main	2,634	3,942	(1,308)
Vehicle Fuel	2,837	4,572	(1,735)
Clothing	500	581	(81)
Footwear	200	349	(149)
Glasses	190	0	190
Office Supplies	500	180	320
COVID-19 Materials	0	270	(270)
Computer Equipment and Software	1,200	0	1,200
Equipment Outlay	1,500	1,415	85
Total Facilities	<u>109,635</u>	<u>125,063</u>	<u>(15,428)</u>
Auditorium:			
Personnel Services	89,355	82,009	7,346
Overtime	500	1,683	(1,183)
FICA	6,874	6,220	654
Electricity	6,374	14,105	(7,731)
Solar Project	21,256	17,451	3,805
Rubbish Removal	7,000	5,084	1,916
Telephone	2,400	3,060	(660)
Water Bills	3,000	2,692	308
IT	3,900	4,407	(507)
Building and Grounds Maintenance	20,000	41,899	(21,899)
Annex Maintenance	5,000	7,607	(2,607)
Fuel Oil	19,800	25,338	(5,538)
Bottled Gas	3,710	4,852	(1,142)
Clothing	2,400	3,116	(716)
Footwear	400	357	43
Glasses	400	0	400
Custodial Supplies	4,000	4,232	(232)
Machines/Equipment Outlay	2,000	2,794	(794)
Total Auditorium	<u>198,369</u>	<u>226,906</u>	<u>(28,537)</u>

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CITY OF BARRE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
BOR:			
Personnel Services	\$ 86,184	\$ 96,837	\$ (10,653)
Overtime	2,000	4,813	(2,813)
FICA	6,746	7,595	(849)
Electricity	26,969	29,607	(2,638)
Solar Project	31,885	26,184	5,701
Telephone	750	675	75
Water Bills	13,800	13,658	142
Building/Grounds Maintenance	20,000	62,677	(42,677)
Bottled Gas	13,440	14,405	(965)
Clothing	2,000	2,990	(990)
Footwear	400	484	(84)
Glasses	400	384	16
Custodial Supplies	2,000	1,361	639
Computer	1,800	3,695	(1,895)
Supplies/Equipment	10,000	7,749	2,251
Total BOR	218,374	273,114	(54,740)
Public Safety Building:			
Personnel Services	23,005	31,511	(8,506)
Overtime	4,601	1,988	2,613
FICA	2,112	2,743	(631)
Electricity	19,470	17,739	1,731
Solar Project	23,073	16,530	6,543
Rubbish Removal	3,500	3,917	(417)
Water Bills	4,500	3,999	501
Buildings and Grounds Maintenance	25,000	50,381	(25,381)
Fuel Oil	650	1,238	(588)
Bottled Gas	22,169	27,240	(5,071)
Clothing	500	680	(180)
Footwear	100	82	18
Glasses	95	103	(8)
Custodial Supplies	5,000	2,654	2,346
Total Public Safety Building	133,775	160,805	(27,030)

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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, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Recreation:			
Personnel Services	\$ 71,000	\$ 72,976	\$ (1,976)
Skateguard Personnel	3,000	1,528	1,472
Pool Personnel	26,750	19,583	7,167
FICA	7,707	6,707	1,000
Training and Development	1,000	525	475
Travel and Meals	150	168	(18)
Telephone	1,000	700	300
Dues, Memberships and Fees	300	310	(10)
Advertising/Printing	250	728	(478)
Municipal Pool Supplies/Equipment	1,000	80	920
Tennis Court Equipment	500	889	(389)
Glasses	190	0	190
Office Supplies	500	12	488
Recreation Supplies	2,000	1,328	672
Recreation Programs	2,500	695	1,805
Total Recreation	117,847	106,229	11,618
Sanitary Landfill:			
Property Tax	8,900	8,528	372
Total Sanitary Landfill	8,900	8,528	372
Engineering:			
Personnel Services	212,715	221,444	(8,729)
Overtime	4,000	19,319	(15,319)
FICA	16,579	17,625	(1,046)
Training and Development	1,500	4,977	(3,477)
Travel and Meals	0	335	(335)
Telephone	2,266	2,091	175
Office Machines Maintenance	500	299	201
Engineering Equipment	4,500	0	4,500
Vehicle Reimbursement	2,500	1,647	853
Radio Maintenance	500	440	60
Clothing	500	387	113
Safety Equipment	0	39	(39)
Footwear	430	664	(234)
Glasses	565	565	0
Office Supplies/Equipment	1,500	1,176	324
Computer Equipment/Software	500	3,959	(3,459)
Total Engineering	248,555	274,967	(26,412)

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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, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Permitting, Planning and Inspections:			
Personnel Services	\$ 109,200	\$ 92,758	\$ 16,442
Overtime	1,000	0	1,000
Contracted Services	10,000	0	10,000
FICA	8,430	6,670	1,760
Professional Services	10,000	0	10,000
Training and Development	1,000	198	802
Travel and Meals	250	0	250
Telephone	1,260	1,131	129
Dues and Memberships	250	80	170
Advertising and Printing	2,000	793	1,207
Glasses	380	0	380
Supplies and Equipment	1,500	637	863
Computer Equipment/Software	7,000	6,095	905
	<u>152,270</u>	<u>108,362</u>	<u>43,908</u>
Total Permitting, Planning and Inspections			
Community Development:			
Barre Partnership	66,300	66,300	0
Barre Area Development	51,744	51,744	0
Main Street Maintenance	1,000	0	1,000
	<u>119,044</u>	<u>118,044</u>	<u>1,000</u>
Total Community Development			
Public Parks and Trees - Maintenance:			
Electricity - Currier	900	771	129
Public Parks Tree Maintenance	15,000	17,785	(2,785)
	<u>15,900</u>	<u>18,556</u>	<u>(2,656)</u>
Total Public Parks and Trees - Maintenance			
Street Department - Public Works:			
Personnel Services	701,785	548,269	153,516
Overtime	0	69,056	(69,056)
FICA	53,687	45,547	8,140
Claims/Deductibles	2,000	428	1,572
Consultant Services	5,000	833	4,167
Storm Water Permit	5,500	5,051	449
Training/Development	1,500	10,119	(8,619)
Travel and Meals	250	0	250
Electricity	10,000	9,382	618
Rubbish Removal	4,000	3,502	498
Telephone	4,700	1,806	2,894
Equipment Rental - Snow	5,000	9,951	(4,951)
Equipment Rental - Streets	7,500	0	7,500
Advertising/Printing	1,000	795	205
Snow Damage - Vehicles	2,000	1,000	1,000
Snow Damage - Plows	2,500	315	2,185
Barricades - Lights	500	145	355
Culverts - Surface Sewer	3,500	0	3,500

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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, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Street Department - Public Works/(Cont'd):			
Guardrails	\$ 5,000	\$ 2,209	\$ 2,791
Tiles and Grates - Surface Sewer	10,000	0	10,000
Radio Maintenance	1,000	441	559
Building and Grounds Maintenance	10,000	6,626	3,374
Equipment Maintenance - Streets	55,000	22,116	32,884
Snow Equipment Maintenance	20,000	17,660	2,340
Truck Maintenance - Streets	70,000	77,728	(7,728)
Bridge Maintenance	1,500	0	1,500
Street Painting	7,500	15,228	(7,728)
Yard Waste	2,200	2,318	(118)
Roadside Mowing	6,000	0	6,000
Tire Disposal Event	2,500	2,422	78
Bulk Waste Removal Fees	17,500	661	16,839
Fuel Oil - Garage	15,226	19,203	(3,977)
Vehicle Fuel	56,327	31,999	24,328
Bottled Gas	250	0	250
Vehicle Grease/Oil	7,000	3,328	3,672
Clothing	12,000	13,076	(1,076)
Equipment - Safety	3,000	2,050	950
Physical Exams	540	0	540
Footwear	2,720	1,392	1,328
Glasses	2,700	189	2,511
Office Expense	500	240	260
Small Tools	2,500	1,269	1,231
Supplies - Garage	30,000	17,418	12,582
Supplies - Sidewalks	5,000	17,208	(12,208)
Supplies - NSC	3,000	11,543	(8,543)
Supplies - Surface Sewer	7,500	19,748	(12,248)
Supplies - Streets	7,500	12,799	(5,299)
Supplies - Snow Removal	6,000	0	6,000
Asphalt - Sidewalks	2,000	1,584	416
Bituminous Hot Mix - Streets	12,500	11,351	1,149
Bituminous Hot Mix - Surface Sewer	2,500	691	1,809
Chloride - Snow	1,250	0	1,250
Concrete - SW	5,000	3,570	1,430
Gravel - Streets	500	0	500
Kold Patch - Streets	8,500	6,595	1,905
Salt	180,000	112,494	67,506
Sand	6,000	1,588	4,412
Street Signs	4,000	14,272	(10,272)
KA Parking Lot/SW Expense	0	2	(2)
Street Light Maintenance	500	0	500
Computer Equipment/Software	1,250	1,833	(583)
Total Street Department - Public Works	1,404,385	1,159,050	245,335

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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, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Cemetery:			
Personnel Services	\$ 87,300	\$ 107,331	\$ (20,031)
Overtime	750	2,132	(1,382)
FICA	6,736	8,374	(1,638)
Training/Development	150	0	150
Travel/Meals	100	0	100
Telephone	1,200	1,553	(353)
Electricity - Office	600	603	(3)
Veterans Flags	2,100	0	2,100
Car/Truck Maintenance	1,200	1,429	(229)
Building Maintenance - Hope	1,500	2,121	(621)
Mausoleum Maintenance	1,500	0	1,500
Building/Ground Maintenance - Elmwood	2,500	1,577	923
Contracted Services	1,500	350	1,150
Hope Maintenance	5,000	6,445	(1,445)
St Monica Maintenance	2,000	2,763	(763)
Grounds & Buildings	1,750	1,145	605
Equipment Maintenance	2,000	4,094	(2,094)
Fuel Oil - Office	500	827	(327)
Vehicle Fuel	3,500	5,989	(2,489)
Clothing	850	1,214	(364)
Equipment - Safety	200	0	200
Footwear	200	460	(260)
Glasses	190	0	190
Office Supplies/Equipment	500	782	(282)
Small Tools	750	12	738
Cemetery Trust	5,500	5,421	79
Foundations	3,000	3,749	(749)
Machine/Equipment	7,500	6,305	1,195
	<u>140,576</u>	<u>164,676</u>	<u>(24,100)</u>
Total Cemetery			
	<u>140,576</u>	<u>164,676</u>	<u>(24,100)</u>
Insurance:			
Health Insurance	1,275,791	1,017,697	258,094
Life Insurance	57,281	41,571	15,710
Dental Insurance	36,705	31,873	4,832
	<u>1,369,777</u>	<u>1,091,141</u>	<u>278,636</u>
Total Insurance			
	<u>1,369,777</u>	<u>1,091,141</u>	<u>278,636</u>
City Pension Plan:			
City Pension Plan	425,871	499,187	(73,316)
Consultant Services	3,000	6,470	(3,470)
	<u>428,871</u>	<u>505,657</u>	<u>(76,786)</u>
Total City Pension Plan			
	<u>428,871</u>	<u>505,657</u>	<u>(76,786)</u>

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CITY OF BARRE, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Favorable/ (Unfavorable)
Debt Service:			
Principal Payments	\$ 699,526	\$ 624,808	\$ 74,718
Interest Expense	150,187	181,948	(31,761)
Total Debt Service	849,713	806,756	42,957
General Insurance:			
Worker's Compensation	581,221	495,163	86,058
Unemployment Insurance	25,000	18,505	6,495
Property and Casualty	203,300	208,135	(4,835)
Total General Insurance	809,521	721,803	87,718
Washington County Tax:	42,305	41,117	1,188
Voter Approved Assistance:	149,601	149,601	0
Special Projects:			
Special Projects - FICA	2,192	1,904	288
Special Projects - Custodial	6,649	4,606	2,043
Special Projects - Fire	7,000	6,095	905
Special Projects - Police	15,000	15,734	(734)
Total Special Projects	30,841	28,339	2,502
Miscellaneous Expenses:			
Granite Museum Parking Lot	15,965	15,976	(11)
Barre Energy Committee	1,000	1,000	0
Miscellaneous Expenses	10,000	8,754	1,246
BCJC Stipend	7,000	7,000	0
VT VYCC	7,500	7,675	(175)
Semprebbon VCF Trust Projects	50,000	62,609	(12,609)
COVID-19 Expenses	15,000	0	15,000
SoV COVID Vaccination Pay	0	4,080	(4,080)
Total Miscellaneous Expenses	106,465	107,094	(629)
Total Expenditures	12,836,332	12,476,203	360,129
Excess of Revenues Over Expenditures	\$ 0	649,638	\$ 649,638
Fund Balance - July 1, 2021		569,221	
Fund Balance - June 30, 2022		\$ 1,218,859	

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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, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Total Plan Net Pension Liability	\$ 147,184,198	\$ 252,974,064	\$ 173,491,807	\$ 140,675,892	\$ 121,155,552	\$ 128,696,167	\$ 77,095,810	\$ 9,126,613
City's Proportion of the Net Pension Liability	2.0050%	1.9317%	2.0460%	2.0260%	2.1746%	2.1660%	2.0470%	2.1321%
City's Proportionate Share of the Net Pension Liability	\$ 2,951,037	\$ 4,886,581	\$ 3,549,718	\$ 2,850,045	\$ 2,634,616	\$ 2,787,514	\$ 1,578,171	\$ 194,585
City's Covered Employee Payroll	\$ 6,364,720	\$ 5,886,247	\$ 5,895,306	\$ 5,427,897	\$ 5,407,251	\$ 5,023,450	\$ 4,477,325	\$ 4,485,606
City's Proportionate Share of the Net Pension Liability as a Percentage of City's Covered Employee Payroll	46.3655%	83.0169%	60.2126%	52.5074%	48.7238%	55.4900%	35.2481%	4.3380%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.29%	74.52%	80.35%	82.60%	83.64%	80.95%	87.42%	98.32%

Notes to Schedule

Benefit Changes: None.

Changes in Assumptions and Methods: None.

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

CITY OF BARRE, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 VMERS DEFINED BENEFIT PLAN
 FOR THE YEAR ENDED JUNE 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution (Actuarially Determined)	\$ 479,149	\$ 445,778	\$ 400,343	\$ 442,236	\$ 406,810	\$ 355,127	\$ 329,193	\$ 286,143
Contributions in Relation to the Actuarially Determined Contributions	<u>479,149</u>	<u>445,778</u>	<u>400,343</u>	<u>442,236</u>	<u>406,810</u>	<u>355,127</u>	<u>329,193</u>	<u>286,143</u>
Contribution Excess/(Deficiency)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City's Covered Employee Payroll	\$ 6,604,554	\$ 6,364,720	\$ 5,886,247	\$ 5,895,306	\$ 5,427,897	\$ 5,407,251	\$ 5,023,450	\$ 4,477,325
Contributions as a Percentage of City's Covered Employee Payroll	7.255%	7.004%	6.801%	7.501%	7.495%	6.568%	6.553%	6.391%

Notes to Schedule

Valuation Date: June 30, 2021

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

CITY OF BARRE, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2022

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Permanent Fund Cemetery Trust Fund</u>	<u>Total</u>
<u>ASSETS</u>				
Cash	\$ 271,525	\$ 127,944	\$ 0	\$ 399,469
Investments	537,957	0	1,045,830	1,583,787
Due from Other Funds	<u>23,055</u>	<u>28,866</u>	<u>0</u>	<u>51,921</u>
Total Assets	<u>\$ 832,537</u>	<u>\$ 156,810</u>	<u>\$ 1,045,830</u>	<u>\$ 2,035,177</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts Payable	\$ 553	\$ 2,026	\$ 0	\$ 2,579
Due to Other Funds	<u>193,640</u>	<u>12,500</u>	<u>24,485</u>	<u>230,625</u>
Total Liabilities	<u>194,193</u>	<u>14,526</u>	<u>24,485</u>	<u>233,204</u>
Fund Balances:				
Nonspendable	0	0	823,892	823,892
Restricted	615,289	121,758	197,453	934,500
Assigned	<u>23,055</u>	<u>20,526</u>	<u>0</u>	<u>43,581</u>
Total Fund Balances	<u>638,344</u>	<u>142,284</u>	<u>1,021,345</u>	<u>1,801,973</u>
Total Liabilities and Fund Balances	<u>\$ 832,537</u>	<u>\$ 156,810</u>	<u>\$ 1,045,830</u>	<u>\$ 2,035,177</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, 2022

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery Trust Fund	Total
Revenues:				
Property Taxes	\$ 0	\$ 268,042	\$ 0	\$ 268,042
Intergovernmental	11,226	0	0	11,226
Charges for Services	0	0	7,005	7,005
Investment Income/(Loss)	<u>(56,258)</u>	<u>28</u>	<u>(128,174)</u>	<u>(184,404)</u>
Total Revenues	<u>(45,032)</u>	<u>268,070</u>	<u>(121,169)</u>	<u>101,869</u>
Expenditures:				
General Government	0	7,359	0	7,359
Public Safety	10,765	0	0	10,765
Culture and Recreation	30,132	5,648	0	35,780
Capital Outlay:				
Public Safety	8,753	0	0	8,753
Culture and Recreation	553	0	0	553
Debt Service:				
Principal	0	88,000	0	88,000
Interest	<u>0</u>	<u>62,278</u>	<u>0</u>	<u>62,278</u>
Total Expenditures	<u>50,203</u>	<u>163,285</u>	<u>0</u>	<u>213,488</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>(95,235)</u>	<u>104,785</u>	<u>(121,169)</u>	<u>(111,619)</u>
Other Financing Sources/(Uses):				
Transfers In	62,609	5,000	0	67,609
Transfers Out	<u>(15,000)</u>	<u>0</u>	<u>(29,240)</u>	<u>(44,240)</u>
Total Other Financing Sources/(Uses)	<u>47,609</u>	<u>5,000</u>	<u>(29,240)</u>	<u>23,369</u>
Net Change in Fund Balances	(47,626)	109,785	(150,409)	(88,250)
Fund Balances - July 1, 2021	<u>685,970</u>	<u>32,499</u>	<u>1,171,754</u>	<u>1,890,223</u>
Fund Balances - June 30, 2022	<u>\$ 638,344</u>	<u>\$ 142,284</u>	<u>\$ 1,021,345</u>	<u>\$ 1,801,973</u>

See Disclaimer in Accompanying Independent Auditor's Report.

CITY OF BARRE, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2022

	Community Development Fund	Drug Forfeiture Fund	Special Recreation Programs Fund	Semprebond Fund	Total
<u>ASSETS</u>					
Cash	\$ 2,839	\$ 36,614	\$ 0	\$ 232,072	\$ 271,525
Investments	0	40,344	0	497,613	537,957
Due from Other Funds	<u>0</u>	<u>0</u>	<u>23,055</u>	<u>0</u>	<u>23,055</u>
Total Assets	<u>\$ 2,839</u>	<u>\$ 76,958</u>	<u>\$ 23,055</u>	<u>\$ 729,685</u>	<u>\$ 832,537</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 553	\$ 553
Due to Other Funds	<u>0</u>	<u>19,034</u>	<u>0</u>	<u>174,606</u>	<u>193,640</u>
Total Liabilities	<u>0</u>	<u>19,034</u>	<u>0</u>	<u>175,159</u>	<u>194,193</u>
Fund Balances:					
Restricted	2,839	57,924	0	554,526	615,289
Assigned	<u>0</u>	<u>0</u>	<u>23,055</u>	<u>0</u>	<u>23,055</u>
Total Fund Balances	<u>2,839</u>	<u>57,924</u>	<u>23,055</u>	<u>554,526</u>	<u>638,344</u>
Total Liabilities and Fund Balances	<u>\$ 2,839</u>	<u>\$ 76,958</u>	<u>\$ 23,055</u>	<u>\$ 729,685</u>	<u>\$ 832,537</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, 2022

	Community Development Fund	Drug Forfeiture Fund	Special Recreation Programs Fund	Semprebon Fund	Total
Revenues:					
Intergovernmental	\$ 0	\$ 11,226	\$ 0	\$ 0	\$ 11,226
Investment Income/(Loss)	<u>0</u>	<u>(4,475)</u>	<u>0</u>	<u>(51,783)</u>	<u>(56,258)</u>
Total Revenues	<u>0</u>	<u>6,751</u>	<u>0</u>	<u>(51,783)</u>	<u>(45,032)</u>
Expenditures:					
Public Safety	0	10,765	0	0	10,765
Culture and Recreation	0	0	0	30,132	30,132
Capital Outlay:					
Public Safety	0	8,753	0	0	8,753
Culture and Recreation	<u>0</u>	<u>0</u>	<u>0</u>	<u>553</u>	<u>553</u>
Total Expenditures	<u>0</u>	<u>19,518</u>	<u>0</u>	<u>30,685</u>	<u>50,203</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(12,767)</u>	<u>0</u>	<u>(82,468)</u>	<u>(95,235)</u>
Other Financing Sources/(Uses):					
Transfers In	0	0	0	62,609	62,609
Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>(15,000)</u>	<u>(15,000)</u>
Total Other Financing Sources/(Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>47,609</u>	<u>47,609</u>
Net Change in Fund Balances	0	(12,767)	0	(34,859)	(47,626)
Fund Balances - July 1, 2021	<u>2,839</u>	<u>70,691</u>	<u>23,055</u>	<u>589,385</u>	<u>685,970</u>
Fund Balances - June 30, 2022	<u>\$ 2,839</u>	<u>\$ 57,924</u>	<u>\$ 23,055</u>	<u>\$ 554,526</u>	<u>\$ 638,344</u>

See Disclaimer in Accompanying Independent Auditor's Report.

CITY OF BARRE, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2022

	Shade Tree Improvement Fund	TIF Fund	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 127,944	\$ 127,944
Due from Other Funds	28,866	0	28,866
Total Assets	\$ 28,866	\$ 127,944	\$ 156,810
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts Payable	\$ 2,026	\$ 0	\$ 2,026
Due to Other Funds	0	12,500	12,500
Total Liabilities	2,026	12,500	14,526
Fund Balances:			
Restricted	6,314	115,444	121,758
Assigned	20,526	0	20,526
Total Fund Balances	26,840	115,444	142,284
Total Liabilities and Fund Balances	\$ 28,866	\$ 127,944	\$ 156,810

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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, 2022

	Shade Tree Improvement Fund	TIF Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Property Taxes	\$ 0	\$ 268,042	\$ 268,042
Investment Income	<u>0</u>	<u>28</u>	<u>28</u>
Total Revenues	<u>0</u>	<u>268,070</u>	<u>268,070</u>
Expenditures:			
General Government	0	7,359	7,359
Culture and Recreation	5,648	0	5,648
Debt Service:			
Principal	0	88,000	88,000
Interest	<u>0</u>	<u>62,278</u>	<u>62,278</u>
Total Expenditures	<u>5,648</u>	<u>157,637</u>	<u>163,285</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>(5,648)</u>	<u>110,433</u>	<u>104,785</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	(648)	110,433	109,785
Fund Balances - July 1, 2021	<u>27,488</u>	<u>5,011</u>	<u>32,499</u>
Fund Balances - June 30, 2022	<u>\$ 26,840</u>	<u>\$ 115,444</u>	<u>\$ 142,284</u>

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CITY OF BARRE, VERMONT
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION
 PRIVATE-PURPOSE TRUST FUNDS
 JUNE 30, 2022

	<u>Keith Fund</u>	<u>Brusa Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 0	\$ 90,876	\$ 90,876
Investments	<u>17,381</u>	<u>0</u>	<u>17,381</u>
Total Assets	<u>\$ 17,381</u>	<u>\$ 90,876</u>	<u>\$ 108,257</u>
<u>LIABILITIES AND NET POSITION</u>			
Liabilities:	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Position:			
Restricted:			
Held in Trust for Other Purposes	<u>17,381</u>	<u>90,876</u>	<u>108,257</u>
Total Net Position	<u>17,381</u>	<u>90,876</u>	<u>108,257</u>
Total Liabilities and Net Position	<u>\$ 17,381</u>	<u>\$ 90,876</u>	<u>\$ 108,257</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, 2022

	<u>Keith Fund</u>	<u>Brusa Fund</u>	<u>Total</u>
Additions:			
Investment Income	\$ <u>43</u>	\$ <u>43</u>	\$ <u>86</u>
Total Additions	<u>43</u>	<u>43</u>	<u>86</u>
Deductions:	<u>0</u>	<u>0</u>	<u>0</u>
Change in Net Position	43	43	86
Net Position - July 1, 2021	<u>17,338</u>	<u>90,833</u>	<u>108,171</u>
Net Position - June 30, 2022	\$ <u><u>17,381</u></u>	\$ <u><u>90,876</u></u>	\$ <u><u>108,257</u></u>

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CITY OF BARRE, VERMONT
 COMBINING BALANCE SHEET
 SPECIAL FUND
 JUNE 30, 2022

	Reappraisal Fund	Donation Fund	ARPA Fund	Special Fund	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 1,276,263	\$ 0	\$ 1,276,263
Receivables	0	0	0	226,829	226,829
Due from Other Funds	<u>420,057</u>	<u>21,240</u>	<u>0</u>	<u>118,215</u>	<u>559,512</u>
Total Assets	<u>\$ 420,057</u>	<u>\$ 21,240</u>	<u>\$ 1,276,263</u>	<u>\$ 345,044</u>	<u>\$ 2,062,604</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 3,317	\$ 3,317
Accrued Payroll and Benefits Payable	0	0	0	619	619
Due to Other Funds	0	0	41,207	0	41,207
Unearned Revenue	<u>0</u>	<u>0</u>	<u>1,233,414</u>	<u>0</u>	<u>1,233,414</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>1,274,621</u>	<u>3,936</u>	<u>1,278,557</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Unavailable Grants	<u>0</u>	<u>0</u>	<u>0</u>	<u>194,745</u>	<u>194,745</u>
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>194,745</u>	<u>194,745</u>
<u>FUND BALANCES</u>					
Restricted	0	17,690	0	223,128	240,818
Assigned	<u>420,057</u>	<u>3,550</u>	<u>1,642</u>	<u>(76,765)</u>	<u>348,484</u>
Total Fund Balances	<u>420,057</u>	<u>21,240</u>	<u>1,642</u>	<u>146,363</u>	<u>589,302</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 420,057</u>	<u>\$ 21,240</u>	<u>\$ 1,276,263</u>	<u>\$ 345,044</u>	<u>\$ 2,062,604</u>

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CITY OF BARRE, VERMONT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 SPECIAL FUND
 FOR THE YEAR ENDED JUNE 30, 2022

	Reappraisal Fund	Donation Fund	ARPA Fund	Special Fund	Total
Revenues:					
Intergovernmental	\$ 28,568	\$ 0	\$ 41,207	\$ 284,269	\$ 354,044
Permits, Licenses and Fees	0	0	0	27,233	27,233
Investment Income	0	0	1,642	0	1,642
Donations	0	4,174	0	95,349	99,523
	<u>28,568</u>	<u>4,174</u>	<u>42,849</u>	<u>406,851</u>	<u>482,442</u>
Total Revenues					
Expenditures:					
General Government	2,480	0	0	1,981	4,461
Public Safety	0	1,500	41,207	87,471	130,178
Public Works	0	0	0	46,230	46,230
Culture and Recreation	0	0	0	21,860	21,860
Capital Outlay:					
General Government	0	0	0	2,400	2,400
	<u>2,480</u>	<u>1,500</u>	<u>41,207</u>	<u>159,942</u>	<u>205,129</u>
Total Expenditures					
Excess of Revenues Over Expenditures	<u>26,088</u>	<u>2,674</u>	<u>1,642</u>	<u>246,909</u>	<u>277,313</u>
Other Financing Sources:					
Transfers In	0	0	0	13,232	13,232
	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,232</u>	<u>13,232</u>
Total Other Financing Sources					
Net Change in Fund Balances	26,088	2,674	1,642	260,141	290,545
Fund Balances/(Deficit) - July 1, 2021	<u>393,969</u>	<u>18,566</u>	<u>0</u>	<u>(113,778)</u>	<u>298,757</u>
Fund Balances - June 30, 2022	<u>\$ 420,057</u>	<u>\$ 21,240</u>	<u>\$ 1,642</u>	<u>\$ 146,363</u>	<u>\$ 589,302</u>

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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, 2022, 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 November 28, 2022.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

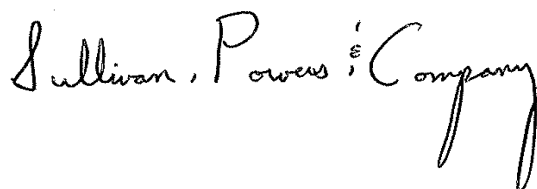
Report on Compliance and Other Matters

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

Purpose of this Report

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

November 28, 2022
Montpelier, Vermont
VT Lic. #92-000180

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