

TOWN OF BARRE, VERMONT

AUDIT REPORT

JUNE 30, 2020

TOWN OF BARRE, VERMONT
AUDIT REPORT
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Independent Auditor's Report

Board of Selectmen
Town of Barre
Websterville, Vermont 05678

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Barre, Vermont as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Barre, Vermont's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
General Fund	Qualified
Community Development Fund	Unmodified
Construction Fund	Unmodified
Water Fund	Unmodified
Sewer Fund	Unmodified
Ambulance Fund	Unmodified
Aggregate Remaining Funds	Qualified

Basis for Qualified Opinions on the General Fund and the Aggregate Remaining Funds

The Town’s use and presentation of Internal Service Funds is not in accordance with accounting principles generally accepted in the United States of America. In accordance with such principles, Internal Service Funds are used to report any activity that provides goods or services to other funds or departments on a cost-reimbursement basis. The Town has two Internal Service funds: the Building Maintenance Fund and the Equipment Fund.

The Building Maintenance Fund does not provide any goods or services and is accumulating a significant fund balance. If this Fund is designed to pay for replacement of buildings, then a capital project fund type is more appropriate. Because the activity is not included in the Non-Major Governmental Funds activity, then the Aggregate Remaining Fund information is not complete. The amount by which this departure would affect assets, liabilities, fund balance, revenues and expenditures of this information has not been determined.

The Equipment Fund has a significant deficit in unrestricted net position indicating that its charges to other funds may be insufficient. The General Fund, particularly Highway activities, account for most of the activity of the Equipment Fund. Charges to the General Fund far exceeded actual Equipment Fund expenses this year, however, the fund still shows a large unrestricted deficit. Because the Equipment Fund is not matching its charges with actual expenses, under accounting principles generally accepted in the United States of America, its activity should be shown in the funds which benefit, such as the General Fund. Because the financial statements do not present it this way, the activity in the General Fund is not complete. The amount by which this departure would affect assets, liabilities, fund balance, revenues and expenditures of the General Fund has not been determined.

Qualified Opinions

In our opinion, except for the effects of the matters described in the “Basis for Qualified Opinions on the General Fund and the Aggregate Remaining Funds” paragraphs, the financial statements referred to previously present fairly, in all material respects, the financial position of the General Fund and the Aggregate Remaining Fund information of the Town of Barre, Vermont as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, other than the General Fund, of the Town of Barre, Vermont as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management’s Discussion and Analysis on pages 5 through 12, the Schedule of Proportionate Share of the Net Pension Liability on Schedule 1, the Schedule of Contributions on Schedule 2 and the budgetary comparison statement for the General Fund on Schedule 3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

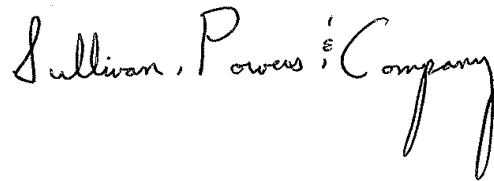
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town 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 do not express an opinion or provide any assurance on them.

Other Reporting Required by "Government Auditing Standards"

In accordance with "Government Auditing Standards", we have also issued our report dated March 24, 2021 on our consideration of the Town of Barre, Vermont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal 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 Town of Barre, Vermont's internal control over financial reporting and compliance.

March 24, 2021
Montpelier, Vermont
Vt Lic. #92-000180

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

TOWN OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

Our discussion and analysis of the Town of Barre, Vermont's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2020. This report should be read in conjunction with the Town's financial statements.

Financial Highlights

- The Town's net position increased by \$261,499 (1.2%) as a result of this year's operations. Net position of our business-type activities increased by \$255,766 (6.3%) and net position of our governmental activities increased by \$5,733 (0.03%).
- In the Town's business-type activities, revenues and transfers were \$4,510,891 while expenses were \$4,255,125. Net position at June 30, 2020 totaled \$4,318,620.
- The cost of all of the Town's programs was \$10,659,362 this year, with no new programs added.
- The General Fund reported a surplus this year of \$21,064.
- The unassigned fund balance for the General Fund was \$2,326,449 as of June 30, 2020. This fund balance may have to be used in the future to eliminate the unrestricted deficits that exist in the Enterprise Funds.
- The Community Development Fund reported a surplus this year of \$4,015, which resulted in a fund balance of \$389,792 as of June 30, 2020.
- The Construction Fund reported a surplus this year of \$176,475 which resulted in a fund balance of \$346,700. This surplus was due to grant reimbursements received in FY19-20 but expensed in FY18-19.
- The Non-major Funds reported a surplus of \$10,347 this year which increased the cumulative surplus to \$893,048.

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Exhibits A and B) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements start on Exhibit C. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside the government.

Reporting the Town as a Whole

The government-wide financial statements are on Exhibit A and B. One of the most important questions asked about the Town's finances is, "Is the Town as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

TOWN OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

These two statements report the Town's net position and changes in them. You can think of the Town's net position – the difference between assets, liabilities and deferred inflows/outflows of resources – as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads, to assess the overall health of the Town.

In the Statement of Net Position and the Statement of Activities, we divide the Town into two kinds of activities:

- **Governmental activities** – Most of the Town's basic services are reported here, including the police, public safety, highway and streets, sanitation, health and welfare, culture and recreation, equipment and building maintenance, and general administration. Property taxes and state and federal grants finance most of these activities.
- **Business-type activities** – The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's sewer, water and ambulance activities are reported here.

Reporting the Town's Most Significant Funds

The fund financial statements begin on page 15 and provide detailed information about the most significant funds – not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, the Town Selectboard establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Town's two kinds of funds – governmental and proprietary – use different accounting approaches.

- **Governmental funds** – Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in Exhibits C and E that are included in the financial statements.
- **Proprietary funds** – When the Town charges customers for the services it provides – whether to outside customers or to other units of the Town – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

TOWN OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

The Town as a Whole

The Town's combined net position increased by \$261,499 from 2019, increasing from a balance of \$22,322,954 to \$22,584,453. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental and business-type activities.

Table 1
Net Position

	Governmental Activities		Business-type Activities		Total Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 5,660,888	\$ 5,761,418	\$ 1,347,766	\$ 1,559,031	\$ 7,008,654	\$ 7,320,449
Capital assets	14,238,321	14,146,849	5,322,948	5,373,422	19,561,269	19,520,271
Total assets	<u>19,899,209</u>	<u>19,908,267</u>	<u>6,670,714</u>	<u>6,932,453</u>	<u>26,569,923</u>	<u>26,840,720</u>
Deferred outflows of resources	<u>345,034</u>	<u>371,273</u>	<u>220,890</u>	<u>238,260</u>	<u>565,924</u>	<u>609,533</u>
Other liabilities	384,045	414,496	430,262	612,867	814,307	1,027,363
Long term liabilities	<u>1,530,936</u>	<u>1,543,187</u>	<u>2,091,245</u>	<u>2,440,473</u>	<u>3,622,181</u>	<u>3,983,660</u>
Total liabilities	<u>1,914,981</u>	<u>1,957,683</u>	<u>2,521,507</u>	<u>3,053,340</u>	<u>4,436,488</u>	<u>5,011,023</u>
Deferred inflows of resources	<u>63,429</u>	<u>61,757</u>	<u>51,477</u>	<u>54,519</u>	<u>114,906</u>	<u>116,276</u>
Net position:						
Net investment in capital assets	13,897,452	13,605,302	3,918,860	3,499,070	17,816,312	17,104,372
Restricted	664,037	1,048,499	778,115	729,769	1,442,152	1,778,268
Unrestricted (deficit)	<u>3,704,344</u>	<u>3,606,299</u>	<u>(378,355)</u>	<u>(165,985)</u>	<u>3,325,989</u>	<u>3,440,314</u>
Total net position	<u>\$ 18,265,833</u>	<u>\$ 18,260,100</u>	<u>\$ 4,318,620</u>	<u>\$ 4,062,854</u>	<u>\$ 22,584,453</u>	<u>\$ 22,322,954</u>

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – changed from a \$3,606,299 surplus at June 30, 2019, to a \$3,704,344 surplus at June 30, 2020 for the governmental activities.

The net position of our business-type activities increased to \$4,318,620 compared to \$4,062,854 in fiscal year 2019, a \$255,766 or 6.3% increase. The Sewer Fund had a decrease in net position of \$96,724 while the Water Fund saw an increase in net position of \$456,636 and the Ambulance Fund saw decreases in net position of \$104,106. Entries in the Ambulance Fund expenses for depreciation and a portion of the Town's share of the Vermont Municipal Employees' Retirement System's unfunded liability equal \$191,590. Without these two accounting entries the Ambulance Fund saw an \$87,484 increase. The Town generally can only use these net positions to finance the continuing operations of the sewer, water, and ambulance operations.

**TOWN OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

**Table 2
Change in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
REVENUES						
Program Revenues:						
Charges for Services	\$ 209,804	\$ 201,049	\$ 3,429,140	\$ 3,623,445	\$ 3,638,944	\$ 3,824,494
Operating Grants and Contributions	283,532	516,199	0	0	283,532	516,199
Capital Grants and Contributions	7,551	202,292	0	0	7,551	202,292
General Revenues:						
Property Taxes	6,233,573	5,880,944	0	0	6,233,573	5,880,944
Penalty and Interest on Delinquent Taxes	65,367	70,188	0	0	65,367	70,188
General State Grants	95,332	97,587	0	0	95,332	97,587
Unrestricted Investment Earnings	50,585	36,292	14,994	9,962	65,579	46,254
Gain on the Sale of Assets	16,006	125,297	0	0	16,006	125,297
Other Revenues	10,775	31,369	504,202	148,475	514,977	179,844
Total Revenues	6,972,525	7,161,217	3,948,336	3,781,882	10,920,861	10,943,099
EXPENDITURES						
General Government	1,722,359	1,579,594	0	0	1,722,359	1,579,594
Public Safety	1,330,089	1,319,683	0	0	1,330,089	1,319,683
Highways and Streets	2,739,596	2,828,072	0	0	2,739,596	2,828,072
Culture and Recreation	412,277	420,771	0	0	412,277	420,771
Community Development	70,383	66,454	0	0	70,383	66,454
Health and Welfare	57,050	60,653	0	0	57,050	60,653
Cemetery	60,587	60,575	0	0	60,587	60,575
Interest on Long-Term Debt	11,896	17,332	0	0	11,896	17,332
Water	0	0	533,738	502,907	533,738	502,907
Sewer	0	0	1,203,925	993,229	1,203,925	993,229
Ambulance	0	0	2,517,462	2,376,079	2,517,462	2,376,079
Total Expenditures	6,404,237	6,353,134	4,255,125	3,872,215	10,659,362	10,225,349
Excess Revenues (Expenses) before Transfers	568,288	808,083	(306,789)	(90,333)	261,499	717,750
Transfers	(562,555)	(459,765)	562,555	459,765	0	0
Change in Net Position	\$ 5,733	\$ 348,318	\$ 255,766	\$ 369,432	\$ 261,499	\$ 717,750

Our following analysis separately considers the operations of governmental and business-type activities.

Governmental Activities

The increase in net position for governmental activities was \$5,733 in 2020. Revenues decreased by \$188,692 or 2.6%, and expenses increased by \$51,103 or 0.8%, compared to 2019.

TOWN OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

The cost of all governmental activities this year was \$6,404,237. However, as shown in the Statement of Activities on Exhibit B, the amount that our taxpayers ultimately financed for these activities through Town taxes was \$6,233,573 (+\$352,629 or 6.0%). Some of the cost was paid by those who directly benefited from the programs (\$209,804) or by other governments and organizations that subsidized certain programs with grants and contributions (\$291,083).

Business-type Activities

The business-type activities net position increased by \$255,766 in 2020. Revenues increased by \$166,454 or 4.4%, and expenses increased by \$382,910 or 9.9%, compared to 2019.

Table 3 presents the cost of each of the Town's programs as well as each program's net cost (total cost less revenue generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

Table 3
Governmental Activities

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
	<u>2020</u>		<u>2019</u>	
General government	\$ 1,722,359	\$ 1,569,170	\$ 1,579,594	\$ 1,458,177
Public safety	1,330,089	1,279,160	1,319,683	1,255,494
Highways and streets	2,739,596	2,511,449	2,828,072	2,148,877
Culture and recreation	412,277	385,454	420,771	399,821
Community development	70,383	70,383	66,454	66,454
Health and welfare	57,050	48,056	60,653	60,653
Cemetery	60,587	27,782	60,575	26,786
Interest on debt	11,896	11,896	17,332	17,332
Totals	<u>\$ 6,404,237</u>	<u>\$ 5,903,350</u>	<u>\$ 6,353,134</u>	<u>\$ 5,433,594</u>

The Town's Funds

As the Town completed the year, its governmental funds (as presented in the Balance Sheet on Exhibit C) reported a combined fund balance of \$5,059,262 which represents an increase of \$211,901 from last year's total of \$4,847,361. Included in this year's total change in fund balance is an increase of \$21,064 in the Town's General Fund, an increase in the Community Development Fund of \$4,015, an increase in the Construction Fund of \$176,475 and an increase of \$10,347 in the other non-major governmental funds.

TOWN OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

Schedule 3 compares actual to budget for the General Fund. The most significant variances of actual to budget were as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ 6,494,916	\$ 6,290,585	\$ (204,331)
Intergovernmental Revenue	301,270	323,236	21,966
Charges for Services and Fees	142,155	193,475	51,320
All Others	30,410	55,842	25,432
Total	<u>\$ 6,968,751</u>	<u>\$ 6,863,138</u>	<u>\$ (105,613)</u>
Expenditures:			
General Government	\$ 3,927,391	\$ 3,885,802	\$ 41,589
Highways and Streets	<u>3,100,810</u>	<u>2,956,272</u>	<u>144,538</u>
Total	<u>\$ 7,028,201</u>	<u>\$ 6,842,074</u>	<u>\$ 186,127</u>

The Town municipal government levies and collects all property taxes for: the schools (state education property taxes), the Highway Fund, and the General Fund, which includes voter approved donations and Local Agreement taxes. For FY19-20 the total taxes first billed were \$16,177,655, including revenues billed for the schools. Of this \$5,848,206 was billed for town revenue. The schools and Highway Fund receive the amount of taxes called for in those budgets. The General Fund absorbs the difference in amount collected compared to the amount first billed. In addition to unpaid taxes, the General Fund's collection is affected by the Selectboard's decision to bill less than budgeted to reduce cash reserves, approved Errors and Omissions, recommended by the Assessor, and by Board of Abatement approved reductions in property value caused by fire or other losses. During FY19-20 the General Fund received \$204,331 less in tax revenue (current taxes, delinquent taxes, and interest and fees) than budgeted, which represents 2.9% of the total budgeted revenues for General and Highway.

The Intergovernmental Revenue category was over budget by \$21,966. Two Governor's Highway Safety Program grants totaled \$6,146. Those grants were for police department activities. Expenses associated with those grant fund activities are recorded in the police budget.

Revenues in the Charges for Services section were \$51,320 over budget. The Charges for Services category has a wide variety of revenue accounts. Some truly are fees charged for services, such as fees charged at the Town Clerk's Office. The category also includes donation accounts and miscellaneous revenue in the Highway Fund (considered part of the General Fund in these financial statements). The largest actual revenue compared to budget was in the Recording Fees account, which brought in \$36,979 more than budgeted. At \$7,652 donations to the Police Department posted the second highest difference of income in excess of budget. The next four accounts with revenue greater than budgeted totaled \$25,093 to the good. The range was \$5,006 to \$7,535.

TOWN OF BARRE, VERMONT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

On the expense side of the budget equation, General Fund expenses (excluding the Highway Fund) were under budget by \$186,127. Departments in the Public Safety category were under budget \$77,136. The Fire Department actual expenses were under budget by \$37,368. The police department’s actual expenses were under budget by \$39,248. Emergency Management’s actual expenses were \$520 under budget.

The Culture, Recreation, Development and Transportation section is a combination of the library contribution, recreation division, Barre Area Development contribution, Green Mountain Transit contribution and contributions to several other organizations. This section was under budget by \$25,612.

The Highway budget has eight departments. The expenses for these eight departments totaled \$144,539 under budget. Summer Maintenance had the greatest variance; it was \$211,314 under budget. Resources were shifted from this department to spend more time and materials on Summer Construction and Paving which were \$79,527 and \$32,990 over budget, respectively. These two departments are also the second and third highest variances in the Highway budget. Gravel Pits were \$23,505 over budget and had the fourth highest variance.

Variances in the straight-time wage accounts and town equipment accounts in the various departments offset each other. Variances in those accounts mean more or less time was spent on activities then estimated.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2020, the Town had \$19,561,269 invested in a broad range of capital assets, including police, ambulance and fire equipment, buildings and water and sewer lines, net of accumulated depreciation. (See Table 4 below). This amount represents a net increase (including additions, disposals and depreciation) of \$40,998 from last year.

Table 4
Capital Assets at Year-End
(Net of Accumulated Depreciation)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Land	\$ 2,574,911	\$ 2,574,911	\$ 2,700	\$ 2,700	\$ 2,577,611	\$ 2,577,611
Construction in Progress	183,872	436,957	0	0	183,872	436,957
Water/Sewer Lines	0	0	9,953,278	9,937,278	9,953,278	9,937,278
Buildings & Building Improvements	2,377,060	2,338,936	567,181	567,181	2,944,241	2,906,117
Equipment and Vehicles	8,988,666	8,298,698	1,293,950	1,123,782	10,282,616	9,422,480
Infrastructure	16,071,241	15,041,155	0	0	16,071,241	15,041,155
Sewer Capacity Rights	0	0	279,969	279,969	279,969	279,969
Accumulated Depreciation	(15,957,429)	(14,543,808)	(6,774,130)	(6,537,488)	(22,731,559)	(21,081,296)
Total	\$ 14,238,321	\$ 14,146,849	\$ 5,322,948	\$ 5,373,422	\$ 19,561,269	\$ 19,520,271

TOWN OF BARRE, VERMONT
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2020

Debt Administration

At June 30, 2020, the Town had \$1,744,958 in bonds and capital leases outstanding versus \$2,415,899 on June 30, 2019 – a decrease of \$670,941 – as shown in Table 5.

Table 5
 Outstanding Debt at Year-End

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
General Obligation Bonds	\$ 150,000	\$ 195,000	\$ 0	\$ 0	\$ 150,000	\$ 195,000
Other Loans Payable	0	0	1,168,304	1,747,694	1,168,304	1,747,694
Capital Leases Payable	190,869	346,547	235,785	126,658	426,654	473,205
Total	<u>\$ 340,869</u>	<u>\$ 541,547</u>	<u>\$ 1,404,089</u>	<u>\$ 1,874,352</u>	<u>\$ 1,744,958</u>	<u>\$ 2,415,899</u>

Economic Factors and Next Year's Budgets and Rates

The Town's elected and appointed officials consider many factors when setting the fiscal year 2020 budget, tax rates, and fees.

When adopting the budget for the 2020-2021 year, the Selectboard took into account operational and capital needs of the Town, and the impact of spending on the tax rate. Investment in recreation facilities, buildings and roads continued. The budgets for building improvements and road paving were in-line with calculated necessary annual amounts.

The Town budgeted no change in fund balance for the fiscal year ending June 30, 2021.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Manager at Town of Barre, Websterville, Vermont, 05678-0116.

TOWN OF BARRE, VERMONT
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 1,414,359	\$ 88,386	\$ 1,502,745
Investments	3,558,088	317,122	3,875,210
Receivables (Net of Allowance for Uncollectibles)	593,225	558,706	1,151,931
Loans Receivable	32,060	0	32,060
Internal Balances	(364,710)	364,710	0
Prepaid Expenses	32,747	18,842	51,589
Land Held for Sale	395,119	0	395,119
Capital Assets:			
Land	2,574,911	2,700	2,577,611
Construction in Progress	183,872	0	183,872
Other Capital Assets, (Net of Accumulated Depreciation)	11,479,538	5,320,248	16,799,786
Total Assets	<u>19,899,209</u>	<u>6,670,714</u>	<u>26,569,923</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	345,034	220,890	565,924
Total Deferred Outflows of Resources	<u>345,034</u>	<u>220,890</u>	<u>565,924</u>
<u>LIABILITIES</u>			
Accounts Payable	333,132	381,968	715,100
Accrued Payroll and Benefits Payable	46,365	41,522	87,887
Accrued Interest Payable	4,548	6,772	11,320
Noncurrent Liabilities:			
Due within One Year	129,223	138,890	268,113
Due in More than One Year	1,401,713	1,952,355	3,354,068
Total Liabilities	<u>1,914,981</u>	<u>2,521,507</u>	<u>4,436,488</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Prepaid Property Taxes	10,998	0	10,998
Deferred Inflows of Resources Related to the Town's Participation in VMERS	52,431	51,477	103,908
Total Deferred Inflows of Resources	<u>63,429</u>	<u>51,477</u>	<u>114,906</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	13,897,452	3,918,860	17,816,312
Restricted:			
Non-Expendable:			
Cemetery Trust	225,837	0	225,837
Expendable:			
Community Development	16,733	0	16,733
Bike Path	345,649	0	345,649
Cemetery	75,818	0	75,818
Sewer Improvements	0	778,115	778,115
Unrestricted/(Deficit)	<u>3,704,344</u>	<u>(378,355)</u>	<u>3,325,989</u>
Total Net Position	<u>\$ 18,265,833</u>	<u>\$ 4,318,620</u>	<u>\$ 22,584,453</u>

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

TOWN OF BARRE, VERMONT
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2020

	Program Revenues				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	\$ 1,722,359	\$ 118,428	\$ 34,761	\$	\$ (1,569,170)	\$ 0	\$ (1,569,170)
Public Safety	1,330,089	29,900	18,009	3,020	(1,279,160)	0	(1,279,160)
Highways and Streets	2,739,596	12,748	210,868	4,531	(2,511,449)	0	(2,511,449)
Culture and Recreation	412,277	7,400	19,423	0	(385,454)	0	(385,454)
Community Development	70,383	0	0	0	(70,383)	0	(70,383)
Health and Welfare	57,050	8,994	0	0	(48,056)	0	(48,056)
Cemetery	60,587	32,334	471	0	(27,782)	0	(27,782)
Interest on Long-term Debt	11,896	0	0	0	(11,896)	0	(11,896)
Total Governmental Activities	6,404,237	209,804	283,532	7,551	(5,903,350)	0	(5,903,350)
Business-type Activities:							
Water	533,738	494,152	0	0	0	(39,586)	(39,586)
Sewer	1,203,925	1,084,227	0	0	0	(119,698)	(119,698)
Ambulance	2,517,462	1,850,761	0	0	0	(666,701)	(666,701)
Total Business-type Activities	4,255,125	3,429,140	0	0	0	(825,985)	(825,985)
Total Primary Government	\$ 10,659,362	\$ 3,638,944	\$ 283,532	\$ 7,551	(5,903,350)	(825,985)	(6,729,335)
General Revenues:							
Property Taxes					6,233,573	0	6,233,573
Penalties and Interest on Delinquent Taxes					65,367	0	65,367
General State Grants					95,332	0	95,332
Unrestricted Investment Earnings					50,585	14,994	65,579
Gain on Sale of Assets					16,006	0	16,006
Other Revenues					10,775	0	10,775
Debt Forgiven-SERF Loan					0	504,202	504,202
Transfers In/(Out):					(562,555)	562,555	0
Total General Revenues and Transfers					5,909,083	1,081,751	6,990,834
Change in Net Position					5,733	255,766	261,499
Net Position - July 1, 2019					18,260,100	4,062,854	22,322,954
Net Position - June 30, 2020					\$ 18,265,833	\$ 4,318,620	\$ 22,584,453

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

TOWN OF BARRE, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	Community Development Fund	Construction Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 715,988	\$ 368,065	\$ 0	\$ 330,306	\$ 1,414,359
Investments	2,623,913	0	491,085	443,090	3,558,088
Receivables (Net of Allowance for Uncollectibles)	593,225	0	0	0	593,225
Loans Receivable (Net of Allowance for Uncollectibles)	10,000	22,060	0	0	32,060
Due from Other Funds	215,091	0	0	135,274	350,365
Advance to Other Fund	106,154	0	0	0	106,154
Prepaid Items	31,686	0	0	0	31,686
Land Held for Sale	0	395,119	0	0	395,119
Total Assets	\$ 4,296,057	\$ 785,244	\$ 491,085	\$ 908,670	\$ 6,481,056
<u>LIABILITIES</u>					
Accounts Payable	\$ 271,719	\$ 68	\$ (129)	\$ 14,154	\$ 285,812
Accrued Payroll and Benefits Payable	40,763	0	0	1,468	42,231
Due to Other Funds	0	373,324	144,514	0	517,838
Total Liabilities	312,482	373,392	144,385	15,622	845,881
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Prepaid Property Taxes	10,998	0	0	0	10,998
Unavailable Property Taxes, Penalties and Interest	532,855	0	0	0	532,855
Unavailable Loans Receivable	10,000	22,060	0	0	32,060
Total Deferred Inflows of Resources	553,853	22,060	0	0	575,913
<u>FUND BALANCES</u>					
Nonspendable	929,151	395,119	0	225,837	1,550,107
Restricted	0	0	345,649	75,818	421,467
Committed	108,850	0	0	54,731	163,581
Assigned	65,272	0	1,051	536,662	602,985
Unassigned/(Deficit)	2,326,449	(5,327)	0	0	2,321,122
Total Fund Balances	3,429,722	389,792	346,700	893,048	5,059,262
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,296,057	\$ 785,244	\$ 491,085	\$ 908,670	
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.					10,928,351
Other Assets are not Available to Pay for Current-Period Expenditures, and, Therefore, are Deferred in the Funds.					564,915
Internal Service Funds are used by Management to Charge the Costs of Certain Activities, such as Equipment and Building Use Charges to Individual Funds. The Assets and Liabilities of the Internal Service Funds are Included in Governmental Activities in the Statement of Net Position.					2,598,564
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.					(1,138,829)
Deferred Outflows and Inflows of Resources relating to the Town's Participation in VMERS are applicable to Future Periods and, and, Therefore, are not Reported in the Funds.					253,570
Net Position of Governmental Activities					\$ 18,265,833

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

TOWN OF BARRE, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Community Development Fund	Construction Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Property Taxes	\$ 6,225,218	\$ 0	\$ 0	\$ 0	\$ 6,225,218
Penalties and Interest on Delinquent Taxes	65,367	0	0	0	65,367
Intergovernmental	323,236	0	179,113	0	502,349
Charges for Services	166,400	0	0	63,436	229,836
Licenses and Permits	12,019	0	0	0	12,019
Loan Repayments	10,000	0	0	0	10,000
Loan Interest Income	0	2,599	0	0	2,599
Investment Income	23,048	2,169	842	21,927	47,986
Donations	27,075	0	0	471	27,546
Other	10,775	0	0	0	10,775
Total Revenues	6,863,138	4,768	179,955	85,834	7,133,695
Expenditures:					
General Government	1,466,498	0	0	42,050	1,508,548
Public Safety	1,192,814	0	0	0	1,192,814
Highways and Streets	2,158,573	0	3,480	0	2,162,053
Culture and Recreation	380,444	0	0	0	380,444
Community Development	69,630	753	0	0	70,383
Sanitation	57,050	0	0	0	57,050
Cemetery	0	0	0	60,587	60,587
Capital Outlay:					
General Government	28,625	0	0	0	28,625
Highways and Streets	777,001	0	0	0	777,001
Culture and Recreation	47,299	0	0	0	47,299
Debt Service:					
Principal	72,689	0	0	0	72,689
Interest	1,746	0	0	0	1,746
Total Expenditures	6,252,369	753	3,480	102,637	6,359,239
Excess/(Deficiency) of Revenues Over Expenditures	610,769	4,015	176,475	(16,803)	774,456
Other Financing Sources/(Uses):					
Transfers In	0	0	0	40,535	40,535
Transfers Out	(589,705)	0	0	(13,385)	(603,090)
Total Other Financing Sources/(Uses)	(589,705)	0	0	27,150	(562,555)
Net Change in Fund Balances	21,064	4,015	176,475	10,347	211,901
Fund Balances - July 1, 2019	3,408,658	385,777	170,225	882,701	4,847,361
Fund Balances - June 30, 2020	\$ 3,429,722	\$ 389,792	\$ 346,700	\$ 893,048	\$ 5,059,262

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

TOWN 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, 2020

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

Net change in fund balances - total governmental funds (Exhibit D)	\$	211,901
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$852,925) is allocated over their estimated useful lives and reported as depreciation expense (\$944,163). This is the amount by which capital outlay exceeded depreciation in the current period.		(91,238)
The issuance of long-term debt (\$0) (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$72,689) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		72,689
The issuance of loans receivable (\$0) consumes current financial resources of governmental funds, while the repayment of the principal of loans receivable (\$10,000) provides current financial resources to governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of loans receivable.		(10,000)
Governmental funds report employer pension contributions as expenditures (\$104,813). However, in the statement of activities, the cost of pension benefits earned net of employee contributions (\$268,387) is reported as pension expense. This amount is the net effect of the differences in the treatment of pension expense.		(163,574)
Internal service funds are used by management to charge the costs of certain activities, such as building and equipment usage, to individual funds. The net revenue (expense) and other changes in net position of the internal service funds is reported with the governmental activities.		172,221
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(167,176)
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>(19,090)</u>
Change in net position of governmental activities (Exhibit B)	\$	<u><u>5,733</u></u>

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

TOWN OF BARRE, VERMONT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Enterprise Funds				Internal Service Funds
	Water Fund	Sewer Fund	Ambulance Fund	Total	
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 83,478	\$ 4,908	\$ 0	\$ 88,386	\$ 0
Investments	0	317,122	0	317,122	0
Receivables (Net of Allowance for Uncollectibles)	186,120	177,982	194,604	558,706	0
Due from Other Funds	0	955,050	0	955,050	234,586
Prepaid Expenses	1,506	2,012	15,324	18,842	1,061
Total Current Assets	271,104	1,457,074	209,928	1,938,106	235,647
Noncurrent Assets:					
Capital Assets:					
Land	2,700	0	0	2,700	
Buildings and Building Improvements	162,700	170,153	234,328	567,181	1,344,619
Machinery, Equipment and Vehicles	466,021	366,109	461,820	1,293,950	6,995,951
Distribution and Collection Systems	3,405,907	6,547,371	0	9,953,278	0
Capacity Rights	0	279,969	0	279,969	0
Less: Accumulated Depreciation	(1,737,355)	(4,644,238)	(392,537)	(6,774,130)	(5,030,600)
Total Noncurrent Assets	2,299,973	2,719,364	303,611	5,322,948	3,309,970
Total Assets	2,571,077	4,176,438	513,539	7,261,054	3,545,617
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows of Resources Related to the Town's Participation in VMERS					
	0	0	220,890	220,890	41,284
Total Deferred Outflows of Resources	0	0	220,890	220,890	41,284
LIABILITIES					
Current Liabilities:					
Accounts Payable	33,265	329,542	19,161	381,968	47,320
Accrued Payroll and Benefits Payable	1,808	1,490	38,224	41,522	4,134
Due to Other Funds	407,233	0	183,107	590,340	431,823
Accrued Interest Payable	5,179	1,593	0	6,772	0
Advance from Other Fund	0	0	0	0	106,154
Notes Payable - Current Portion	44,332	28,923	29,385	102,640	64,941
General Obligation Bonds Payable - Current Portion	0	36,250	0	36,250	35,000
Total Current Liabilities	491,817	397,798	269,877	1,159,492	689,372
Noncurrent Liabilities:					
Compensated Absences Payable	0	11,848	71,175	83,023	28,882
Net Pension Liability	0	0	604,133	604,133	96,145
Notes Payable - Noncurrent Portion	1,015,222	59,937	117,540	1,192,699	66,687
General Obligation Bonds Payable - Noncurrent Portion	0	72,500	0	72,500	105,000
Total Noncurrent Liabilities	1,015,222	144,285	792,848	1,952,355	296,714
Total Liabilities	1,507,039	542,083	1,062,725	3,111,847	986,086
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources Related to the Town's Participation in VMERS					
	0	0	51,477	51,477	2,251
Total Deferred Inflows of Resources	0	0	51,477	51,477	2,251
NET POSITION					
Net Investment in Capital Assets	1,240,419	2,521,755	156,686	3,918,860	3,038,342
Restricted	0	778,115	0	778,115	0
Unrestricted/(Deficit)	(176,381)	334,485	(536,459)	(378,355)	(439,778)
Total Net Position/(Deficit)	\$ 1,064,038	\$ 3,634,355	\$ (379,773)	\$ 4,318,620	\$ 2,598,564

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

TOWN OF BARRE, VERMONT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Enterprise Funds				Internal Service Funds
	Water Fund	Sewer Fund	Ambulance Fund	Total	
Operating Revenues:					
Charges for Services	\$ 450,783	\$ 1,020,504	\$ 1,778,197	\$ 3,249,484	\$ 1,392,257
Interest and Penalties	21,919	30,371	0	52,290	0
Other	21,450	33,352	72,564	127,366	20,133
Total Operating Revenues	494,152	1,084,227	1,850,761	3,429,140	1,412,390
Operating Expenses:					
Salaries and Benefits	142,444	138,001	1,860,634	2,141,079	259,028
Other Operating Expenses	282,361	935,937	634,681	1,852,979	486,341
Depreciation	86,801	127,694	22,147	236,642	497,947
Total Operating Expenses	511,606	1,201,632	2,517,462	4,230,700	1,243,316
Operating Income/(Loss)	(17,454)	(117,405)	(666,701)	(801,560)	169,074
Non-Operating Revenues/(Expenses):					
Investment Income	0	14,994	0	14,994	0
Interest Expense	(22,132)	(2,293)	0	(24,425)	(12,859)
Gain on Sale of Equipment	0	0	0	0	16,006
Total Non-Operating Revenues/(Expenses)	(22,132)	12,701	0	(9,431)	3,147
Net Income Before Capital Contributions and Transfers	(39,586)	(104,704)	(666,701)	(810,991)	172,221
Capital Contributions and Transfers:					
Debt Forgiven - SERF Loan	504,202	0	0	504,202	0
Transfers In	0	7,980	562,555	570,535	0
Transfers Out	(7,980)	0	0	(7,980)	0
Total Capital Contributions and Transfers	496,222	7,980	562,555	1,066,757	0
Change in Net Position	456,636	(96,724)	(104,146)	255,766	172,221
Net Position/(Deficit) - July 1, 2019	607,402	3,731,079	(275,627)	4,062,854	2,426,343
Net Position/(Deficit) - June 30, 2020	<u>\$ 1,064,038</u>	<u>\$ 3,634,355</u>	<u>\$ (379,773)</u>	<u>\$ 4,318,620</u>	<u>\$ 2,598,564</u>

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

TOWN OF BARRE, VERMONT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Enterprise Funds				Internal Service Funds
	Water Fund	Sewer Fund	Ambulance Fund	Total	
Cash Flows From Operating Activities:					
Receipts from Customers and Users	\$ 443,746	\$ 1,067,588	\$ 1,931,277	\$ 3,442,611	\$ 1,392,257
Other Cash Receipts	21,450	33,352	72,564	127,366	20,133
Payments for Goods and Services	(273,971)	(1,119,178)	(653,861)	(2,047,010)	(483,616)
Payments for Wages and Benefits	(140,636)	(138,585)	(1,716,274)	(1,995,495)	(236,165)
Net Cash Provided/(Used) by Operating Activities	<u>50,589</u>	<u>(156,823)</u>	<u>(366,294)</u>	<u>(472,528)</u>	<u>692,609</u>
Cash Flows From Noncapital Financing Activities:					
Transfers Received from Other Funds	0	7,980	562,555	570,535	0
Transfers To Other Funds	(7,980)	0	0	(7,980)	0
Decrease/(Increase) in Due from Other Funds	0	207,492	0	207,492	(13,404)
(Decrease)/Increase in Due to Other Funds	43,486	0	(171,967)	(128,481)	152,831
(Decrease)/Increase in Advance from Other Fund	0	0	0	0	(26,538)
Net Cash Provided by Noncapital Financing Activities	<u>35,506</u>	<u>215,472</u>	<u>390,588</u>	<u>641,566</u>	<u>112,889</u>
Cash Flows From Capital and Related Financing Activities:					
Proceeds from Sale of Equipment	0	0	0	0	16,007
Acquisition and Construction of Capital Assets	(24,500)	0	(14,744)	(39,244)	(576,028)
Proceeds from Long-term Debt	150,000	0	0	150,000	0
Principal Paid on Bonds, Notes and Leases	(188,939)	(64,498)	(9,550)	(262,987)	(232,618)
Interest Paid on Bonds, Notes and Leases	(22,949)	(2,799)	0	(25,748)	(12,859)
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(86,388)</u>	<u>(67,297)</u>	<u>(24,294)</u>	<u>(177,979)</u>	<u>(805,498)</u>
Cash Flows From Investing Activities:					
Additions to Investments	0	(59,786)	0	(59,786)	0
Receipt of Interest and Dividends	0	14,994	0	14,994	0
Net Cash Provided/(Used) by Investing Activities	<u>0</u>	<u>(44,792)</u>	<u>0</u>	<u>(44,792)</u>	<u>0</u>
Net Increase/(Decrease) in Cash	(293)	(53,440)	0	(53,733)	0
Cash - July 1, 2019	83,771	58,348	0	142,119	0
Cash - June 30, 2020	<u>\$ 83,478</u>	<u>\$ 4,908</u>	<u>\$ 0</u>	<u>\$ 88,386</u>	<u>\$ 0</u>
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:					
Operating Income/(Loss)	\$ (17,454)	\$ (117,405)	\$ (666,701)	\$ (801,560)	\$ 169,074
Depreciation	86,801	127,694	22,147	236,642	497,947
(Increase)/Decrease in Receivables	(28,956)	16,713	153,080	140,837	0
(Increase)/Decrease in Prepaid Expenses	(1,351)	(353)	(824)	(2,528)	(31)
(Increase)/Decrease in Deferred Outflows of Resources Related to the Town's Participation in VMERS	0	0	17,370	17,370	2,280
Increase/(Decrease) in Accounts Payable	9,741	(182,888)	(18,356)	(191,503)	2,756
Increase/(Decrease) in Accrued Payroll and Benefits Payable	1,808	(621)	9,034	10,221	(1,832)
Increase/(Decrease) in Compensated Absences Payable	0	37	16,738	16,775	9,126
Increase/(Decrease) in Net Pension Liability	0	0	104,260	104,260	13,689
Increase/(Decrease) in Deferred Inflows of Resources Related to the Town's Participation in VMERS	0	0	(3,042)	(3,042)	(400)
Net Cash Provided/(Used) by Operating Activities	<u>\$ 50,589</u>	<u>\$ (156,823)</u>	<u>\$ (366,294)</u>	<u>\$ (472,528)</u>	<u>\$ 692,609</u>

The Water Fund had debt forgiven that it had assumed in 2019 from the merger of the Websterville Fire District of \$504,202.
The Ambulance Fund acquired assets under a capital lease payable in the amount of \$146,925.
The Equipment Fund sold assets with a cost and accumulated depreciation of \$28,490.
The Equipment Fund acquired assets under a capital lease payable in the amount of \$104,630.

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

TOWN OF BARRE, VERMONT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2020

	<u>Agency Fund</u>
<u>ASSETS</u>	
Cash	\$ 15,793
Investments	<u>4,042</u>
Total Assets	<u>19,835</u>
<u>LIABILITIES</u>	
Due to Others	<u>19,835</u>
Total Liabilities	<u>19,835</u>
<u>NET POSITION</u>	
Total Net Position	\$ <u><u>0</u></u>

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

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

The Town of Barre, Vermont (the Town), is organized according to Vermont State Law and Town Charter, under the governance of a five member Selectboard to provide the following services for the Town of Barre: public health and safety, highways and streets, culture and recreation, public improvements, sanitation, planning and zoning, water, wastewater treatment and general administration. Included in public health and safety are ambulance services, which are also provided to certain surrounding towns under contract agreements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is primarily responsible for establishing GAAP for state and local governments through its pronouncements (including Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Town are discussed as follows:

Reporting Entity

This report includes all of the activity of the Town 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 Town.

Basic Financial Statements – Government-Wide Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's Community Development Fund, Reappraisal Fund, Recreation Fund, Construction Fund, Cemetery Trust Fund, Cemetery Fund, and General Fund activities are classified as governmental. The Town's Water Fund, Sewer Fund and Ambulance Fund activities are classified as business-type.

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are presented on a consolidated basis by column and are reported on the full accrual, economic resources basis, which recognizes all assets, deferred outflows of resources, liabilities and deferred inflows of resources. The Town's net position is reported in three parts - net investment in capital assets, restricted net position and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities for which both restricted and unrestricted resources are available.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's governmental and business-type activities (water, sewer, etc.). The activities are supported by property taxes, certain intergovernmental revenues, and charges for services. The Statement of Activities reduces gross expenses (including depreciation) by related program revenue, including operating and capital grants. Program revenues must be directly associated with the activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by activity) are normally covered by general revenues (property taxes, intergovernmental revenue, interest income, etc.).

This government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

Basic Financial Statements – Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows and outflows of resources, fund equity, revenues and expenditures/expenses. The various funds are reported by major fund within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental category or enterprise type. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenses/expenditures of either fund category/type or the governmental and enterprise funds combined) for the determination of major funds. The General Fund, Community Development Fund, Construction Fund, Sewer Fund, Water Fund and Ambulance Fund are shown as major funds. All other funds are nonmajor and are combined in a single column in each of the respective fund financial statements.

The Town reports on the following major governmental funds:

General Fund is the main operating fund of the Town. It is used to account for all financial resources except those accounted for in another fund.

Community Development Fund is used to account for community development loans throughout the Town.

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Construction Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Proprietary Funds

The focus of proprietary funds measurement is upon determination of operating income, changes in net position, financial position, and cash flows. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The generally accepted accounting principles applicable are those funds are similar to businesses in the private sector. The following is a description of the major enterprise funds of the Town:

Sewer Fund is used to account for the operations of the sewer department.

Water Fund is used to account for the operations of the water department.

Ambulance Fund is used to account for the operations of the ambulance department.

Fiduciary Funds

Agency funds are used to account for assets held by the Town as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Additionally the Town reports the following:

Internal service funds should be used to account for financing of services to other funds. The internal service funds of the Town consist of the Equipment Fund and the Building Maintenance Fund. The Town's use and presentation of Internal Service Funds is not in accordance with accounting principles generally accepted in the United States of America. The Building Maintenance Fund does not provide any goods or services and is accumulating a significant fund balance. The Equipment Fund has a significant deficit in unrestricted net position indicating that its charges to other funds may be insufficient.

Measurement Focus

The accounting and financial reporting applied to a fund is determined by its measurement focus. Government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. This means that all assets, liabilities and deferred inflows and outflows of resources associated with the operation of these funds (whether current or noncurrent) are included on the balance sheet (or statement of net position). Fund equity (i.e. net total 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 net position.

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus. This means that only current assets, current liabilities and deferred inflows and outflows 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.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis of Accounting

The government-wide, proprietary and internal services funds 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 Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Modified Accrual Basis of Accounting

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 Town considers all revenues reported in governmental funds to be available if the revenues are collected within sixty 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 and acquisitions under capital leases are reported as other financing sources.

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Under the terms of grant agreements, the Town 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 net position available to finance the program. It is the Town'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 amount in deferred inflows of resources is recognized for all loans receivable. Loan repayment revenue is recognized as the loans are repaid.

Cash and Cash Equivalents

The Town has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agents.

Budgetary Accounting

The Town approves a budget for the General Fund at an annual Town Meeting and the Selectboard, based on the budget and Grand List, determines the tax rate. Any budgetary changes require voter approval. There were no changes during the year. Formal budgetary accounting is employed as a management control device during the year for the General Fund. The budget for the General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and Building Improvements	10 - 50 years
Equipment, Vehicles and Machinery	5 - 20 years
Utility Plant and Capacity Rights	40 - 50 years
Infrastructure	8 - 20 years

GASB No. 34 requires the Town to report and depreciate new general infrastructure assets starting July 1, 2003. The Town has elected not to record infrastructure prior to this date. General infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc.

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Compensated Absences

Government-Wide Financial Statements – All vested or accumulated vacation leave is reported as a liability and an expense on the government-wide financial statements. Sick days are not accrued since they are not paid when the employee terminates employment.

Fund Financial Statements - Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are not reported as a liability in the fund financial statements and no expenditure is reported for these amounts until paid. Unused sick days may be accumulated to use in the following year, but sick days are not accrued since they are not paid when the employee terminates employment.

Net Position

Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources and liabilities in the statement of net position. Net resources invested in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed by its use by Town legislation or external restrictions by creditors, grantors, laws or regulations of other governments.

Fund Balances

The Town classifies its fund balances depicting the relative strength of the constraints that might control how specific amounts can be spent:

Nonspendable fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use such as impact fees).

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority, the Town voters, in this case. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

Assigned fund balance comprises amounts intended to be used by the government for specific purposes. Intent can be expressed by the Town Selectboard or by an official or body to which the Selectboard delegates the authority.

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unassigned fund balance is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the General Fund.

Nonspendable and Restricted funds are so-designated by external funds sources, such as in the case of the nonspendable Cemetery Trust Fund corpus, and also by the definitions of “nonspendable” contained in GASB Statement No. 54. Fund balances that are committed and assigned are so-designated by action of the voters or the Selectboard, respectively. Special revenue funds are by definition, created only to report a revenue source that is restricted or committed. In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, the Town’s policy is to consider the most constrained fund balances to be expended first.

Investments

The Town invests in investments as allowed by State statute.

Investments are stated at fair value, (quoted market price, or the best available estimate).

Interfund Balances

Transactions between funds that are representative of lending/borrowing arrangements that are outstanding at the end of the fiscal year are referred to as “advances to/from other funds”. All other outstanding balances between funds are reported as “due to/from 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”.

Pension

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.

Deferred Outflows 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.

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Inflows of Resources

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.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The Town budgeted a current year’s deficiency in the General Fund of \$59,450 in order to utilize a portion of the previous years’ surplus. This is reflected as a budgeted deficiency of revenues over expenditures on Schedule 3.

NOTE 3 – CASH AND INVESTMENTS

The Town’s cash and investments as of June 30, 2020 are as follows:

Cash:

Cash on Hand	\$ 295
Deposits with Financial Institutions	<u>1,518,243</u>
Total Cash	<u>1,518,538</u>

Investments:

Certificates of Deposit	1,481,161
Municipal Bonds	471,160
Unit Trusts	35,529
Repurchase Agreements (U.S. Treasury Notes)	<u>1,891,402</u>
Total Investments	<u>3,879,252</u>
Total Cash and Investments	<u>\$5,397,790</u>

The Town has eight (8) certificates of deposit with interest rates from .24% to 2.0%. The certificates of deposit mature in the following fiscal year.

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 – CASH AND INVESTMENTS – (Continued)

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 Town does not have any policy to limit the exposure to interest rate risk. The Town's certificates of deposit and repurchase agreements are exempt from interest rate risk disclosure. The Town's unit trusts operate similarly to mutual funds are also exempt from interest rate risk disclosure.

Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Town's investments by maturity. The municipal bonds are shown at the earlier of their call date or actual maturity.

<u>Investment Type</u>	<u>Less than 1 Year</u>	<u>1 to 5 Years</u>	<u>6 to 10 Years</u>	<u>After 10 Years</u>	<u>Total</u>
Municipal Bonds	\$ <u>5,166</u>	\$ <u>131,648</u>	\$ <u>111,259</u>	\$ <u>223,087</u>	\$ <u>471,160</u>

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. Presented below are the actual ratings as of June 30, 2020. The ratings are provided by Standard & Poor's and/or Moody's. The Town does not have any policy to limit the exposure to credit risk. The Town's repurchase agreements are secured by U.S. Treasury Notes and therefore are exempt from credit risk analysis.

<u>Investment Type</u>	<u>S&P AAA</u>	<u>S&P AA-or Higher</u>	<u>Moody's Aa3 or Higher</u>	<u>S&P A-or Higher</u>	<u>Moody's A3 to A1</u>	<u>Unrated</u>	<u>Total</u>
Municipal Bonds	\$ 21,908	\$ 265,498	\$ 21,672	\$ 140,315	\$ 20,029	\$ 1,738	\$ 471,160
Unit Trusts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>35,529</u>	<u>35,529</u>
	\$ <u>21,908</u>	\$ <u>265,498</u>	\$ <u>21,672</u>	\$ <u>140,315</u>	\$ <u>20,029</u>	\$ <u>37,267</u>	\$ <u>506,689</u>

Concentration of Credit Risk

Concentration of credit risk is the risk that a large percentage of the Town's investments are held within one security. The Town does not have any limitations on the amount that can be invested in any one issuer. The Town's certificates of deposit and repurchase agreements are exempt from concentration of credit risk analysis. The unit trusts operate like mutual funds and, therefore, are also excluded from concentration of credit risk analysis. The Town does not have any investments in any one issuer that represent more than 5% of total investments.

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 – CASH AND INVESTMENTS – (Continued)

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 Town’s investments in municipal bonds, unit trusts and certificates of deposit are held in its name and are, therefore, not subject to custodial credit risk. The Town’s investments in repurchase agreements are secured by U.S. Treasury securities held in its name by the Town’s bank.

The Town does not have any policy to limit the exposure to custodial credit risk. The table below shows the custodial credit risk of the Town’s deposits.

	<u>Book Balance</u>	<u>Bank Balance</u>
Insured by FDIC/SIPC	\$ 1,388,228	\$ 1,429,342
Insured by Standby Letters of Credit	389,027	389,027
Uninsured, Collateralized by U.S. Government Securities Held by Bank's Trust Department with a Security Interest Granted to the Town	1,205,205	1,205,205
Uninsured, Uncollateralized	<u>16,944</u>	<u>16,944</u>
Total Deposits	<u>\$ 2,999,404</u>	<u>\$ 3,040,518</u>

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

Fair Value Measurements

The Town’s investments are stated at fair value using quoted market prices when available. The repurchase agreement is an interest-earning investment contract and therefore stated at cost, not fair value.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets as follows:

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 – CASH AND INVESTMENTS – (Continued)

Level 1: Inputs are quoted prices for identical investments in active markets

Level 2: Observable inputs other than quoted market prices

Level 3: Unobservable inputs

The fair value measurement at June 30, 2020 for the Town’s investments is as follows:

	Fair Value	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Debt Securities:				
Municipal Bonds	\$ 471,160	\$ 471,160	\$ 0	\$ 0
Fixed Income Unit Trusts	35,529	35,529	0	0
Total Investments by Fair Value Level	\$ 506,689	\$ 506,689	\$ 0	\$ 0

NOTE 4 - RECEIVABLES

Receivables and the allowance for uncollectible accounts as of June 30, 2020 are as follows:

	Receivables	Allowance for Uncollectible Accounts	Net Receivables
General Fund:			
Delinquent taxes receivable	\$ 453,521	\$ (25,000)	\$ 428,521
Penalties, interest and collection fees on delinquent taxes	149,534	(8,000)	141,534
Miscellaneous receivables	37,170	(14,000)	23,170
	\$ 640,225	\$ (47,000)	\$ 593,225

	Receivables	Allowance for Uncollectible Accounts	Net Receivables
Enterprise Funds			
Water Fund			
Accounts receivable	\$ 174,252	\$ 0	\$ 174,252
Penalties and interest receivable	11,868	0	11,868
Sewer Fund			
Accounts receivable	129,063	0	129,063
Penalties and interest receivable	48,919	0	48,919
Ambulance Fund			
Accounts receivable	525,183	(330,579)	194,604
Net Receivables	\$ 889,285	\$ (330,579)	\$ 558,706

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – LOANS RECEIVABLE

Loans receivable consist of the following at June 30, 2019:

General Fund:

Due from Barre Area Development, Inc. annual principal payments of \$10,000, due 12/1/20. Interest at 4.974% to 5.644% with semiannual interest payments.	\$ <u>10,000</u>
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Community Development Fund:

Vermont Housing Rehabilitation Program and Vermont Community Improvement Grant, Interest at 0 to 6%.	\$ <u>22,060</u>
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Total loans receivables at June 30, 2019	22,060
Due within one year	<u>(1,000)</u>
Due after one year	<u>\$ 21,060</u>

Governmental Activities:

General Fund Notes Receivable	\$ 10,000
Community Development Fund Notes Receivable	<u>22,060</u>
Net Loans Receivable	<u>\$ 32,060</u>

The Vermont Housing Rehabilitation Program and Vermont Community Improvement Grant are loan funds which the Town has contracted with Downstreet Housing and Community Development to administer in exchange for interest earnings on the loans.

NOTE 6 - INTERFUND BALANCES AND TRANSFERS

The Town has combined some of the cash resources of its governmental, proprietary and internal service fund types for accounting and reporting purposes and that portion of the pooled cash is reported in the specific fund as an interfund balance. Interfund balances at June 30, 2020 were:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Governmental funds:		
General Fund	\$ <u>215,091</u>	\$ <u>0</u>
Community Development Fund	<u>0</u>	<u>373,324</u>
Construction Fund	<u>0</u>	<u>144,514</u>
Other governmental funds:		
Cemetery Fund	56,983	0
Recreation Fund	2,052	0
Reappraisal Fund	31,362	0
Cemetery Trust Fund	<u>44,877</u>	<u>0</u>
Total other governmental funds	<u>135,274</u>	<u>0</u>
	<u>350,365</u>	<u>517,838</u>

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 - INTERFUND BALANCES AND TRANSFERS – (Continued)

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Proprietary funds:		
Water Fund	\$ 0	\$ 407,233
Sewer Fund	955,050	0
Ambulance Fund	0	183,107
Total Proprietary funds	<u>955,050</u>	<u>590,340</u>
Internal service funds:		
Equipment Fund	0	431,823
Building Maintenance Fund	234,586	0
Total Internal service funds	<u>234,586</u>	<u>431,823</u>
Total	<u>\$ 1,540,001</u>	<u>\$ 1,540,001</u>

In addition, the General Fund advanced \$132,692 to the Equipment Fund in 2019 to finance the purchase of a loader. The advance is being paid back over five (5) years at 0% interest. The balance at June 30, 2020 was \$106,154.

During the year, interfund transfers occurred between funds. The transfers were made in accordance with budgetary authorizations. The transfers represent the Town's per capita fee for the ambulance service, contribution by the Water Fund for debt service and the amount used for operations in the Cemetery Fund. Interfund transfers for the year ended June 30, 2020 are as follows:

		Transfers from				Totals
		General Fund	Cemetery Trust Fund	Cemetery Fund	Water Fund	
Transfers to	Sewer Fund	\$ 0	\$ 0	\$ 0	\$ 7,980	\$ 7,980
	Ambulance Fund	562,555	0	0	0	562,555
	Cemetery Fund	27,150	11,285	0	0	38,435
	Cemetery Trust Fund	0	0	2,100	0	2,100
	Total	<u>\$ 589,705</u>	<u>\$ 11,285</u>	<u>\$ 2,100</u>	<u>\$ 7,980</u>	<u>\$ 611,070</u>

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance June 30, 2019	Additions	Disposals	Balance June 30, 2020
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,574,911	\$ 0	\$ 0	\$ 2,574,911
Construction in Process	436,957	0	253,085	183,872
Total Capital Assets, Not Being Depreciated	<u>3,011,868</u>	<u>0</u>	<u>253,085</u>	<u>2,758,783</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	2,338,936	38,124	0	2,377,060
Equipment and Vehicles	8,298,698	718,458	28,490	8,988,666
Infrastructure	15,041,155	1,030,086	0	16,071,241
Total capital assets being depreciated	<u>25,678,789</u>	<u>1,786,668</u>	<u>28,490</u>	<u>27,436,967</u>
Less accumulated depreciation for:				
Buildings and Building Improvements	(939,717)	(51,471)	0	(991,188)
Equipment and Vehicles	(5,275,202)	(557,290)	28,490	(5,804,002)
Infrastructure	(8,328,889)	(833,350)	0	(9,162,239)
Total accumulated depreciation	<u>(14,543,808)</u>	<u>(1,442,111)</u>	<u>28,490</u>	<u>(15,957,429)</u>
Governmental Activities Capital Assets, Net	<u>\$ 14,146,849</u>	<u>\$ 344,557</u>	<u>\$ 253,085</u>	<u>\$ 14,238,321</u>
	Beginning June 30, 2019	Additions	Disposals	Ending June 30, 2020
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,700	\$ 0	\$ 0	\$ 2,700
Total Capital Assets, Not Being Depreciated	<u>2,700</u>	<u>0</u>	<u>0</u>	<u>2,700</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	567,181	0	0	567,181
Utility Systems	9,937,278	16,000	0	9,953,278
Sewer Capacity Rights	279,969	0	0	279,969
Equipment and Vehicles	1,123,782	170,168	0	1,293,950
Total Capital Assets, Being Depreciated	<u>11,908,210</u>	<u>186,168</u>	<u>0</u>	<u>12,094,378</u>
Less accumulated depreciation for:				
Buildings and Building Improvements	(365,482)	(6,896)	0	(372,378)
Utility Systems	(5,585,771)	(169,560)	0	(5,755,331)
Sewer Capacity Rights	(36,534)	(5,347)	0	(41,881)
Equipment and Vehicles	(549,701)	(54,839)	0	(604,540)
Total accumulated depreciation	<u>(6,537,488)</u>	<u>(236,642)</u>	<u>0</u>	<u>(6,774,130)</u>
Business-type Activities Capital Assets - Net	<u>\$ 5,373,422</u>	<u>\$ (50,474)</u>	<u>\$ 0</u>	<u>\$ 5,322,948</u>

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 – CAPITAL ASSETS – (Continued)

Depreciation expense was charged to functions as follows:

Governmental activities:		
General government	\$	60,726
Public safety		137,275
Highway and streets		1,212,277
Recreation		<u>31,833</u>
Total Governmental Activities depreciation expense	\$	<u><u>1,442,111</u></u>
Business-type activities:		
Water	\$	86,801
Sewer		127,694
Ambulance		<u>22,147</u>
Total Business-Type Activities depreciation expense	\$	<u><u>236,642</u></u>

The Town has an agreement with the City of Barre for the City to provide sewage treatment to the Town. The Town has agreed to pay for operating costs and capital costs based on the agreement. The capital costs are treated as Capacity Rights and are being amortized over the life of the related projects.

NOTE 8 – DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources in the Governmental Activities consists of \$128,271 from the difference between the expected and actual experience, \$33,055 from changes in assumptions and \$67,433 from the difference between the projected and actual investment earnings related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$116,275 of required employer pension contributions made subsequent to the measurement date, as further described in Note 14. Total deferred outflows of resources in the Governmental Activities is \$345,034.

Deferred outflows of resources in the Ambulance Fund and Business-type Activities consists of \$80,700 from the difference between the expected and actual experience, \$20,796 from changes in assumptions and \$42,425 from the difference between the projected and actual investment earnings related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$76,969 of required employer pension contributions made subsequent to the measurement date, as further described in Note 14. Total deferred outflows of resources in the Business-type Activities is \$220,890.

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8 – DEFERRED OUTFLOWS OF RESOURCES – (Continued)

Deferred outflows of resources in the Internal Service Funds consists of \$17,481 from the difference between the expected and actual experience, \$4,506 from changes in assumptions and \$9,190 from the difference between the projected and actual investment earnings related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$10,107 of required employer pension contributions made subsequent to the measurement date, as further described in Note 14. Total deferred outflows of resources in the Internal Service Fund is \$41,284.

NOTE 9 – DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources in the Governmental Activities consists of \$10,998 of prepaid property taxes, \$7,035 from the difference between actual and expected experience and \$45,396 resulting from the differences between the employer contributions and the proportionate share of total contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS), as further described in Note 14. Total deferred inflows of resources in the Governmental Activities is \$63,429.

Deferred inflows of resources in the Ambulance Fund and Business-type Activities consists of \$6,907 from the difference between the actual and expected experience and \$44,570 resulting from the difference between the employer contributions and the proportionate share of total contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS), as further described in Note 14. Total deferred inflows of resources in the Business-type Activities is \$51,477.

Deferred inflows of resources in the Internal Service Fund consists of \$302 from the difference between the actual and expected experience \$1,949 resulting from the difference between the employer contributions and the proportionate share of total contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS), as further described in Note 14. Total deferred inflows of resources in the Internal Service Fund is \$2,251.

Deferred inflows of resources in the General Fund consists of \$10,998 of prepaid property taxes and \$532,855 of delinquent property taxes (including penalties and interest on those taxes) and \$10,000 of notes receivables that were 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 are \$553,853.

Deferred inflows of resources in the Community Development Fund consists of \$22,060 of loans receivable.

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 – LONG-TERM LIABILITIES

The following is a summary of changes of long-term liabilities for the year ended June 30, 2020.

Long-term debt outstanding as of June 30, 2020 were as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
General Obligation Municipal Bonds With the Vermont Municipal Bond Bank, 2000 Series 1, Originally \$250,000, Proceeds Used for Business Incubator Building, Due in Annual Installments of \$10,000 on December 1 through 2020, Interest 4.974% to 5.644%	\$ 20,000	\$ 0	\$10,000	\$ 10,000
General Obligation Municipal Bonds – 2003, Series 2, Originally \$775,000, Proceeds Used for Town Garage Building, Interest 3.57% to 4.69%, Due in Decreasing Annual Installments of \$40,000 to \$35,000 Plus Interest, Due December, 2023	175,000	0	35,000	140,000
Lease Payable to City National Bank of Florida, Interest at 2.87%, Due in Annual Installments of \$62,686. Due and Paid in February, 2020. Secured by Dump Truck	60,937	0	60,937	0
Lease Payable to U.S. Bancorp, Interest at 3.28%, Due in Annual Installments of \$32,790, Due August, 2021. Secured By Fire Rescue Truck	93,159	0	30,292	62,867
Lease Payable to U.S. Bancorp, Interest at 2.07%, Due in Annual Installments of \$40,947, Due and Paid in September, 2019. Secured by Ambulance and Stretchers	40,108	0	40,108	0

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 – LONG-TERM LIABILITIES – (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Lease Payable to U.S. Bancorp, Interest at 2.49%, Due in Annual Installments of \$31,170, Due and Paid in March, 2020. Secured by HME Pumper Fire Truck	\$ 30,413	\$ 0	\$ 30,413	\$ 0
Lease Payable to BCI Capital, Interest at 2.87%, Due in three Annual Installments of \$35,868 Including Interest, Due December, 2021, Secured by 2019 Ford F-550 with Plow	0	104,630	35,868	68,762
Lease Payable to Santander Bank, Interest at 3.37%, Due in Annual Installments of \$45,335, Due and Paid in April, 2020. Secured by Fire SCBA Equipment	43,858	0	43,858	0
Lease Payable to U.S. Bancorp, Interest At 2.39%, Due in Annual Installments of \$20,698, Due September, 2022, Secured by Vactor Truck	<u>78,072</u>	<u>0</u>	<u>18,832</u>	<u>59,240</u>
Total Governmental Activities Long-Term Debt	<u>\$ 541,547</u>	<u>\$ 104,630</u>	<u>\$305,308</u>	<u>\$340,869</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities:				
Ambulance Fund:				
Lease Payable to Zoll Medical, 0% Interest, Annual Installments of \$29,385 through July 15, 2024, Secured by Equipment	\$ 0	\$146,925	\$ 0	\$146,925
Lease Payable to U.S. Bancorp, Interest at 2.07%, Due in Annual Installments of \$9,549, Due and Paid in September, 2019, Secured by Ambulance and Stretchers	9,550 (39)	0	9,550	0

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 – LONG-TERM LIABILITIES – (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Sewer Fund:				
State of Vermont Special Environmental Revolving Fund – Wastewater Treatment Facility Capacity Enhancement Loan, Due in Annual Installments of \$36,250, Due September 1, 2022, 0% Interest	\$ 145,000	\$ 0	\$ 36,250	\$ 108,750
Lease Payable, to U.S. Bancorp, Interest at 2.39%, Due in Annual Installments of \$31,047, Due September, 2022, Secured by Vactor Truck	117,108	0	28,248	88,860
Water Fund:				
Vermont Municipal Bond Bank, Refinancing of Two (2) USDA Loans, Due in two Semi-Annual Installments totaling \$40,497 Including Interest at 3.65%, Due November, 2041	531,025	0	21,115	509,910
Mill Street Water Line Loan from the EPA. Interest at 1%, Administrative Fee at 2%, Due in Annual Installments of \$5,579 in October, Due October 1, 2030	55,533	0	3,913	51,620
Community National Bank, USDA Refunding, Annual Payments of Principal and Interest of \$12,452, Interest at 2.875%, Due September, 2034	0	150,000	0	150,000
Websterville Fire District Loan, Special Environmental Revolving Fund, Interest at 0%, to be Forgiven in 2021	50,000	0	0	50,000
Websterville Fire District Loan, Special Environmental Revolving Fund, Interest at 0%, Principal Payments of \$10,277 Due Each December 1 through 2048	812,502	0	514,478	298,024

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 – LONG-TERM LIABILITIES – (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Websterville Fire District Loan, USDA, Interest at 4.5%, Refunded by Community National Bank Loan	\$ 80,786	\$ 0	\$ 80,786	\$ 0
Websterville Fire District Loan, USDA, Interest at 4.5%, Refunded by Community National Bank Loan	<u>72,848</u>	<u>0</u>	<u>72,848</u>	<u>0</u>
Total Business-Type Activities Long-Term Debt	<u>\$ 1,874,352</u>	<u>\$ 296,925</u>	<u>\$ 767,188</u>	<u>\$ 1,404,089</u>

Changes in Long-Term Liabilities during the year were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
General Obligation Bonds Payable	\$ 195,000	\$ 0	\$ 45,000	\$ 150,000	\$ 45,000
Capital Leases Payable	346,547	104,630	260,308	190,869	84,223
Compensated Absences	150,342	30,926	0	181,268	0
Net Pension Liability	<u>851,298</u>	<u>157,501</u>	<u>0</u>	<u>1,008,799</u>	<u>0</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 1,543,187</u>	<u>\$ 293,057</u>	<u>\$ 305,308</u>	<u>\$ 1,530,936</u>	<u>\$ 129,223</u>
Business-type Activities					
Revolving Loan Fund Payable	\$ 145,000	\$ 0	\$ 36,250	\$ 108,750	\$ 36,250
USDA Rural Development Payable	531,025	0	21,115	509,910	21,886
Mill Street EPA Loan Payable	55,533	0	3,913	51,620	4,030
Capital Leases Payable	126,658	146,925	37,798	235,785	58,308
Websterville Fire District Loans	1,016,136	150,000	668,112	498,024	18,416
Compensated Absences	66,248	16,775	0	83,023	0
Net Pension Liability	<u>499,873</u>	<u>104,260</u>	<u>0</u>	<u>604,133</u>	<u>0</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 2,440,473</u>	<u>\$ 417,960</u>	<u>\$ 767,188</u>	<u>\$ 2,091,245</u>	<u>\$ 138,890</u>

\$504,202 of the Websterville Fire District loans were forgiven in 2020 by the Vermont Special Environmental Revolving Fund and \$50,000 will be forgiven in 2021.

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 - LONG-TERM LIABILITIES (Continued)

Amortization of the capital leases is included in depreciation expense. The cost and accumulated depreciation of assets under capital leases is \$1,300,288 and \$443,865, respectively, for Governmental Activities and \$467,090 and \$58,135, respectively, for Business-Type Activities.

Compensated absences are paid from the applicable fund where the employee is charged.

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 Town's share of the net pension liability is recorded in the government-wide and enterprise and internal service fund financial statements.

Long-term debt will mature approximately as follows:

Years ending	Governmental Activities			Business-Type Activities		
Years ending	Principal	Interest	Capital Leases	Principal	Interest	Capital Leases
2021	\$ 45,000	\$ 5,194	\$ 89,178	\$ 80,582	\$ 24,073	\$ 60,432
2022	35,000	4,060	89,178	81,736	22,905	60,432
2023	35,000	2,452	20,698	82,929	21,697	60,432
2024	35,000	0	0	47,913	20,447	29,385
2025	0	0	0	49,190	19,154	29,385
2026-2030	0	0	0	266,681	74,774	0
2031-2035	0	0	0	282,501	36,134	0
2036-2040	0	0	0	108,438	10,072	0
2041-2045	0	0	0	77,227	952	0
2046-2050	0	0	0	41,107	0	0
To Be Forgiven	0	0	0	50,000	0	0
Total	150,000	11,706	199,054	1,168,304	230,208	240,066
Less: Imputed Interest	0	0	(8,185)	0	0	(4,281)
Total	<u>\$ 150,000</u>	<u>\$ 11,706</u>	<u>\$ 190,869</u>	<u>\$ 1,168,304</u>	<u>\$ 230,208</u>	<u>\$ 235,785</u>

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 - FUND BALANCE/NET POSITION CATEGORIES

The fund balances/net position of the Town are categorized as follows:

	Individual Funds Statements		Government-Wide Statements	
	Governmental	Proprietary	(Exhibit A)	
	Funds (Exhibit C)	Funds (Exhibit G)	Governmental Activities	Business-type Activities
Nonspendable:				
Community Development Fund - Land Held for Sale	395,119	\$ 0	\$ 0	\$ 0
Cemetery Trust Fund - principal at Edward Jones Investments	225,837	0	0	0
General Fund - Prepaid items	31,686	0	0	0
General Fund - Internal Receivables from Funds with Deficits	897,465	0	0	0
	<u>1,550,107</u>	<u>0</u>	<u>0</u>	<u>0</u>
Restricted:				
Cemetery Trust Fund - principal at Edward Jones Investments	0	0	225,837	0
Community Development Fund - Grant Agreement	0	0	16,733	0
Construction Fund - Bike Path Donations	345,649	0	345,649	0
Cemetery Trust Fund - perpetual care	75,818	0	75,818	0
Sewer Fund - For Sewer Improvements by Sewer Allocation Pol	0	778,115	0	778,115
	<u>421,467</u>	<u>778,115</u>	<u>664,037</u>	<u>778,115</u>
Committed:				
General Fund - Community Donations for FY21 - By the Voters	68,850			
General Fund - BADC FY21- By the Voters	40,000			
Cemetery Fund - By the Voters	54,731	0	0	0
	<u>163,581</u>	<u>0</u>	<u>0</u>	<u>0</u>
Assigned:				
General Fund - future purchases:				
Fire Department	9,100	0	0	0
Highway	38,000	0	0	0
Recreation	18,172	0	0	0
Construction Fund	1,051	0	0	0
Reappraisal Fund	534,610	0	0	0
Recreation Fund	2,052	0	0	0
	<u>602,985</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unassigned (governmental funds)/Unrestricted (business-type funds)	2,321,122	(378,355)	3,703,344	(378,355)
Invested in Capital Assets, Net of Related Debt	0	3,918,860	13,897,452	3,918,860
	<u>0</u>	<u>3,918,860</u>	<u>13,897,452</u>	<u>3,918,860</u>
Total Fund Balances/Net Position	<u>5,059,262</u>	<u>\$ 4,318,620</u>	<u>\$ 18,264,833</u>	<u>\$ 4,318,620</u>

TOWN OF BARRE, VERMONT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020

NOTE 12 – CONTINGENT LIABILITIES

The Town participates in a number of federally assisted and state grant programs that are subject to audits by the grantors or their representatives. The audits of these programs for or including the year ended June 30, 2020 have not yet been reviewed by the grantor agencies. 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 Town expects such amounts, if any, to be immaterial.

NOTE 13 - PROPERTY TAXES

Property taxes are assessed based on valuations as of April 1, annually. Property taxes were due in four equal installments on August 15, November 15, February 15, and May 15. All late payments are subject to a 5% penalty if paid within 30 days of the installment date; an 8% penalty if paid after 30 days, and interest calculated at 1% per month.

Town property tax revenue is recognized in the General Fund for the period for which the tax is levied to the extent they result in current receivables, which will be collected within 60 days of the fiscal year end. The tax rates for fiscal year 2019/2020 were as follows:

	<u>Homestead</u>	<u>Non-Homestead</u>	
General Fund	\$ 0.5082	\$ 0.5082	
Highway Fund	0.4356	0.4356	
Local Agreement	0.0036	0.0036	
State Education Tax	<u>1.4926</u>	<u>1.8683</u>	
	<u>\$ 2.4400</u>	<u>\$ 2.8157</u>	

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 - PENSION PLANS

Defined Benefit Plans

The Vermont Municipal Employees' Retirement System (VMERS)

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for municipal and school district employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. During the year ended June 30, 2019, the retirement system consisted of 379 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 Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

As of June 30, 2019, the measurement date selected by the State of Vermont, VMERS was funded at 80.35% and had a plan fiduciary net position of \$709,465,831 and a total pension liability of \$882,957,638 resulting in a net position liability of \$173,491,807. As of June 30, 2020, the Town's proportionate share of this was 0.92969% resulting in a net pension liability of \$1,612,933. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. The Town's proportion of 0.92969% was a decrease of .3081 from its proportion measured as of the prior year.

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 - PENSION PLANS (Continued)

For the year ended June 30, 2020, the Town recognized pension expense of \$490,875.

This amount is included in the Government-wide Statement of Activities as follows:

\$294,883 is in Governmental Activities, including the Internal Service Fund amount of \$26,496, and \$195,982 is in Business-type Activities.

At June 30, 2020, the Town owed VMERS \$95,976 for employer and employees contributions for the current quarter.

As of June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources
Difference between expected and actual experience	\$ 208,971	\$	13,942
Changes in assumptions	53,852		0
Difference between projected and actual investment earnings	109,858		0
Differences between the employer contributions and proportionate share of total contributions	0		89,966
Town's required employer contributions made subsequent to the measurement date	193,243		0
	\$ 565,924	\$	103,908

The deferred outflows of resources resulting from the Town's required employer contributions made subsequent to the measurement date in the amount of \$193,243 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. 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>	
2021	\$ 112,923
2022	45,985
2023	62,173
2024	47,693
Total	\$ 268,774

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 - PENSION PLANS (Continued)

Summary of System Provisions

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

Creditable Service – Service as a member plus purchased service.

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

Service Retirement Allowance:

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

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

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

Early Retirement Allowance:

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

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

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.

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 - PENSION PLANS (Continued)

Death Benefit:

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

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

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

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

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

Member Contributions – Group B – 5.125%. Group C – 10.25%.

Employer Contributions – Group B – 5.75%. Group C – 7.50%.

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

Significant Actuarial Assumptions and Methods

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

Salary increases: 5% per year.

Mortality:

Death in Active Service: Groups B and C – 98% of RP-2006 blended 60% Blue Collar Employee, 40% Healthy Employee with generational projection, using scale SSA-2017.

Healthy Post-Retirement: Groups B and C – 98% of RP-2006 blended 60% Blue Collar Annuitant, 40% Healthy Annuitant with generational projection using scale SSA-2017.

Disabled Post-Retirement: Groups B and C – RP-2006 Disabled Mortality Table with generational projection using scale SSA-2017.

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

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 - PENSION PLANS (Continued)

Cost-of-Living Adjustments: Assumed to occur on January 1 following one year of retirement at the rate of 1.30% per annum for Groups B and C members (beginning at normal retirement eligibility age for members who elect reduced early retirement, at age 62 for members of Group B who receive a disability retirement benefit, and at age 55 for members of Group C who receive a disability retirement benefit). The January 1, 2019 COLA is assumed to be .8% for all groups.

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

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

Inflation: 2.50%.

Long-term Expected Rate of Return:

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	29.00%	6.90%
US-Equity – Large Cap	4.00%	5.94%
US Equity – Small/Mid Cap	3.00%	6.72%
Non-US Equity – Large Cap	5.00%	6.81%
Non-US Equity – Small Cap	2.00%	7.31%
Emerging Markets Debt	4.00%	4.26%
Core Bond	14.00%	1.79%
Non-Core Bonds	6.00%	3.22%
Short Quality Credit	5.00%	1.81%
Private Credit	5.00%	6.00%
US TIPS	3.00%	1.45%
Core Real Estate	5.00%	4.26%
Non-core Real Estate	3.00%	5.76%
Private Equity	10.00%	10.81%
Infrastructure/Farmland	2.00%	4.89%

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 - PENSION PLANS (Continued)

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

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

<u>1% Decrease (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
\$2,644,966	\$1,612,933	\$758,599

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.

NOTE 15 - RISK MANAGEMENT

The Town of Barre is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town 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 Town. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The Town 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 rate-setting 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 Town of Barre 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 Town has only elected unemployment coverage with the Trust.

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16 - COMMITMENTS

The Town has entered into contracts with a number of surrounding towns to provide emergency medical services through June 30, 2021.

In November 2010, the Town entered into a 40-year agreement with the City of Barre to supersede a previous old agreement regarding the water distribution systems for both the City and the Town. Under this agreement the Town shall pay to the City an annual “readiness to serve” base charge which was \$24,562.40 as of June 30, 2020. This amount can be increased by the same percentage as the City resident’s quarterly base charge. The agreement also outlines the criteria for establishing rates charged to the Town and Town residents serviced by the City water system.

NOTE 17 - DEFICIT NET POSITION/FUND BALANCES

An unrestricted net position deficit of \$536,459 (which is a \$106,292 greater deficit than June 30, 2019) exists in the Ambulance Fund due to having excess of operating expenses over revenue since the Ambulance Fund was established in budget year 1999-2000. The three (3) year average of gross ambulance calls for fiscal years 2017, 2018 and 2019 was 3,900. During fiscal year 2020, there was 3,823 total (gross) ambulance calls, a 268 call decrease from fiscal year 2019. For revenues, however, the number of billable calls is more important. During fiscal year 2020, the number of billable calls was 2,838 which was 250 less than fiscal year 2019 and 74 less than the average three years prior. COVID-19 was instrumental in reducing the number of ambulance calls as people were more inclined to stay home when minor injuries occurred. Federal COVID-19 Relief funding in the amount \$59,907.74 was awarded to the Ambulance Fund in fiscal year 2019-2020 for lost revenue. The number of ambulance calls is rebounding. BTEMS performed 6 less critical care transfers (typically billed at a much higher amount than other calls) in fiscal year 2020 than in fiscal year 2019, 11 less than the average of the three prior years. The downward trend in critical care transfers is expected to continue.

There is also an unrestricted net position deficit in the Water Fund of \$175,396 due to continuing net losses from operations. Water rates were increased in fiscal year 2020 and again for fiscal year 2021 to reduce the likelihood of an operating deficit.

There is also an unrestricted net position deficit in the Equipment Internal Service Fund of \$672,964 (\$150,481 more than the last year) due to operating losses in prior years. The Town plans to reduce the deficit through increased rates. Also, minimum payments from the Highway Fund have been implemented to offset large fixed costs.

The Community Development Fund has an unassigned deficit fund balance of \$5,327, which will be eliminated by the sale of land held for sale in the Wilson Industrial Park.

NOTE 18 - RELATED PARTY TRANSACTIONS

A Selectboard member owns a retail store that does business with the Town. In 2020, total purchases from the business owned by the Selectboard member amount to \$7,680.57. The Selectboard does have a policy addressing conflicts of interest and, as a practice, Selectboard members abstain from voting on transactions that may present a conflict.

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 19 – SUBSEQUENT EVENTS

The Selectboard authorized the financing of an ambulance and a generator with a lease for three (3) years at 2.4% interest in the amount of \$233,797.

The Selectboard also approved the purchase of a Fire Department tanker for a cost of \$214,528 to be financed over five (5) years at 2.37% interest.

TOWN OF BARRE, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 VMERS DEFINED BENEFIT PLAN
 JUNE 30, 2020

	2020	2019	2018	2017	2016	2015
Total Plan Net Pension Liability	\$ 173,491,807	\$ 140,675,892	\$ 121,155,552	\$ 128,696,167	\$ 77,095,810	\$ 9,126,613
Town's Proportion of the Net Pension Liability	0.92969%	0.96050%	1.07089%	1.1287%	1.1149%	1.0372%
Town's Proportionate Share of the Net Pension Liability	\$ 1,612,933	\$ 1,351,170	\$ 1,297,442	\$ 1,452,550	\$ 859,541	\$ 94,658
Town's Covered Employee Payroll	\$ 2,959,655	\$ 2,865,006	\$ 2,821,145	\$ 2,920,028	\$ 2,890,677	\$ 2,735,854
Town's Proportionate Share of the Net Pension Liability as a Percentage of Town's Covered Employee Payroll	54.4973%	47.1612%	45.9899%	49.7444%	29.7349%	3.4599%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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 six years are shown.

TOWN OF BARRE, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 VMERS DEFINED BENEFIT PLAN
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution (Actuarially Determined)	\$ 193,243	\$ 178,625	\$ 168,236	\$ 174,886	\$ 173,411	\$ 155,577
Contributions in Relation to the Actuarially Determined Contributions	<u>193,243</u>	<u>178,625</u>	<u>168,236</u>	<u>174,886</u>	<u>173,411</u>	<u>155,577</u>
Contribution Excess/(Deficiency)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Town's Covered Employee Payroll	\$ 2,959,655	\$ 2,865,006	\$ 2,821,145	\$ 2,920,028	\$ 2,890,677	\$ 2,735,854
Contributions as a Percentage of Town's Covered Employee Payroll	6.53%	6.23%	5.96%	5.99%	6.00%	5.69%

Notes to Schedule

Valuation Date:	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
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Fiscal year 2015 was the first year of implementation, therefore, only six years are shown.

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF BARRE, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
General Government:			
Property Taxes:			
Current Taxes:			
Property Taxes - General	\$ 3,138,011	\$ 2,986,023	\$ (151,988)
Property Taxes - Cemetery	27,150	27,150	0
Property Taxes - Highway	<u>2,897,440</u>	<u>2,897,440</u>	<u>0</u>
Total Current Taxes	<u>6,062,601</u>	<u>5,910,613</u>	<u>(151,988)</u>
Delinquent Taxes:			
Current Year Delinquent Taxes	155,000	188,726	33,726
Prior Year Delinquent Taxes	<u>160,000</u>	<u>113,012</u>	<u>(46,988)</u>
Total Delinquent Taxes	<u>315,000</u>	<u>301,738</u>	<u>(13,262)</u>
Other Items:			
Payment in Lieu of Taxes/Rebate	<u>25,315</u>	<u>12,867</u>	<u>(12,448)</u>
Total Other Items	<u>25,315</u>	<u>12,867</u>	<u>(12,448)</u>
Interest and Late Charges - Delinquent:			
Interest/Late Charge 1% & 5%	70,000	46,003	(23,997)
Delinquent Tax Coll. Fee 8%	<u>22,000</u>	<u>19,364</u>	<u>(2,636)</u>
Total Interest and Late Charges - Delinquent	<u>92,000</u>	<u>65,367</u>	<u>(26,633)</u>
Total Property Taxes	<u>6,494,916</u>	<u>6,290,585</u>	<u>(204,331)</u>
Licenses and Permits:			
Business Licenses and Permits:			
Alcoholic Bev. Licenses	1,000	930	(70)
Fireworks Permits	225	475	250
Racing Permits	800	800	0
Special Events Permits	<u>50</u>	<u>0</u>	<u>(50)</u>
Total Business Licenses and Permits	<u>2,075</u>	<u>2,205</u>	<u>130</u>
Non-Business Licenses and Permits:			
Dog Licenses	5,515	3,930	(1,585)
Zoning	4,020	4,975	955
Conditional Use & Variance	955	305	(650)
Driveway Permits	1,385	(1,390)	(2,775)
Burial and Transit	115	60	(55)
Sub Division Fees	1,695	1,356	(339)
GIS Update Fee	300	450	150
Site Plan Review	<u>250</u>	<u>128</u>	<u>(122)</u>
Total Non-Business Licenses and Permits	<u>14,235</u>	<u>9,814</u>	<u>(4,421)</u>
Total Licenses and Permits	<u>16,310</u>	<u>12,019</u>	<u>(4,291)</u>
Intergovernmental Revenue:			
Federal:			
DOJ Police Vest Grant	275	974	699
Fed. Grants/Public Safety-Cops	0	9,074	9,074
Fed. Grants/Other	<u>0</u>	<u>309</u>	<u>309</u>
Total Federal	<u>275</u>	<u>10,357</u>	<u>10,082</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF BARRE, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
State:			
Current Use Program	\$ 96,800	\$ 95,332	\$ (1,468)
Act 60 Reappraisal Grant	3,650	3,659	9
State Grant - Public Safety	0	3,020	3,020
State Grant - Highway & Streets	200,545	205,860	5,315
State Grant - Paving & Bridges	0	5,008	5,008
	<u>300,995</u>	<u>312,879</u>	<u>11,884</u>
Total State	300,995	312,879	11,884
Total Intergovernmental Revenue	301,270	323,236	21,966
Charges for Services:			
General Government:			
Recording Fees	60,380	97,359	36,979
Issuing Hunting/Fishing Lic.	25	40	15
Telephone/Maps Income	50	105	55
Vault Time/Copies	750	1,525	775
Certified Copies	3,750	2,370	(1,380)
Photo Copy Charges	5,000	5,503	503
Green Mtn. Passports	75	58	(17)
Vehicle Registration Fees	475	324	(151)
Other	400	74	(326)
	<u>70,905</u>	<u>107,358</u>	<u>36,453</u>
Total General Government	70,905	107,358	36,453
Public Safety - Police and Fire:			
Police - Thunder Road	24,500	3,115	(21,385)
Police - Other Contracts	450	378	(72)
Police - Local Ordinance Fines	16,000	10,147	(5,853)
Police - Parking Violations	800	75	(725)
Police - Accident Reports	2,200	2,181	(19)
Police - Donations	0	7,652	7,652
Police - Miscellaneous	300	4,926	4,626
Fire - Town of Orange	6,000	3,806	(2,194)
Fire - Other Contracts	300	266	(34)
Fire - Miscellaneous	0	5,006	5,006
Fire - Donations	100	0	(100)
	<u>50,650</u>	<u>37,552</u>	<u>(13,098)</u>
Total Public Safety - Police and Fire	50,650	37,552	(13,098)
Highway and Streets:			
Services Rendered	750	100	(650)
Gross Load Permits	1,075	1,075	0
Unregistered Vehicle Permits	350	455	105
Road Open Permit - Dig in ROW	300	7,833	7,533
Refunds - Highway	0	2,830	2,830
Street Number Sign Sales	0	132	132
Miscellaneous	350	323	(27)
	<u>2,825</u>	<u>12,748</u>	<u>9,923</u>
Total Highway and Streets	2,825	12,748	9,923
Sanitation:			
Bulk Trash Collection Receipts	3,800	8,819	5,019
Green Up	625	175	(450)
	<u>4,425</u>	<u>8,994</u>	<u>4,569</u>
Total Sanitation	4,425	8,994	4,569

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF BARRE, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
Recreation:			
Recreation Programs	\$ 500	\$ 540	\$ 40
Bor Rec. Field Lights	1,500	1,900	400
Use of Fields	2,500	3,580	1,080
Use of Picnic Shelter	2,900	1,380	(1,520)
Recreation - Donation Revenues	450	3,736	3,286
Donations Travis Skate Park	5,000	7,652	2,652
Miscellaneous Donations	500	8,035	7,535
 Total Recreation	 13,350	 26,823	 13,473
 Total Charges for Services and Fees	 142,155	 193,475	 51,320
Miscellaneous Revenue:			
Miscellaneous Revenue:			
Misc. Revenue	1,200	2,814	1,614
Rents - 22 Wilson St.	0	6,100	6,100
Reimbursement Revenue	2,000	1,861	(139)
 Total Miscellaneous Revenue	 3,200	 10,775	 7,575
Interest Income:			
Interest Earned	2,500	24,334	21,834
 Total Interest Income	 2,500	 24,334	 21,834
Transfers:			
Transfer In-BAD Incubator Bldg.	8,400	8,714	314
 Total Transfers	 8,400	 8,714	 314
 Total Miscellaneous Revenue	 14,100	 43,823	 29,723
 Total Revenues	 6,968,751	 6,863,138	 (105,613)
Expenditures:			
General Government:			
Selectboard:			
Regular	8,000	8,933	(933)
Mileage	25	41	(16)
Other Supplies	25	0	25
Postage	3,180	3,017	163
Advertising	150	1,677	(1,527)
Printing	5,320	5,571	(251)
Miscellaneous	1,925	2,243	(318)
Training Registration	110	65	45
Training Materials	25	45	(20)
Legal Fees	800	1,114	(314)
Miscellaneous	9,400	8,734	666
 Total Selectboard	 28,960	 31,440	 (2,480)

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TOWN OF BARRE, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
Auditing:			
Regular	\$ 425	\$ 1,412	\$ (987)
Mileage	25	0	25
Printing Town Reports	4,595	4,918	(323)
Training Registration	60	511	(451)
Independent Audit & Accounting	58,320	88,444	(30,124)
Legal	25	0	25
Total Auditing	63,450	95,285	(31,835)
Town Manager:			
Regular	147,450	138,618	8,832
Bonus	545	0	545
Town Equipment Charges	7,985	7,985	0
Mileage	25	0	25
Equipment Rentals	1,555	1,553	2
Office Supplies	1,500	1,701	(201)
Postage	1,125	0	1,125
Advertising	2,400	1,108	1,292
Printing	100	259	(159)
Telephone	1,800	1,776	24
Miscellaneous	150	64	86
Training Registration	560	780	(220)
Conference Registrations	450	0	450
Travel and Lodging	75	0	75
Dues	1,380	916	464
Reference Books	750	814	(64)
Legal Fees	3,300	4,798	(1,498)
Other Outside Services	3,955	4,462	(507)
Payroll Processing Fees	8,400	8,257	143
Misc. Ordinance Codification	1,075	275	800
Total Town Manager	184,580	173,366	11,214
Elections:			
Regular	5,860	4,647	1,213
Overtime	950	304	646
Other Supplies	4,305	5,931	(1,626)
Postage	520	2,710	(2,190)
Advertising	1,230	701	529
Total Elections	12,865	14,293	(1,428)
Clerk/Town Treasurer Office:			
Regular	170,520	172,719	(2,199)
Bonus	515	0	515
Mileage	1,570	1,644	(74)
Equipment Repair Costs	25	0	25
Small Equipment Purchases	410	675	(265)
Office Supplies	3,060	4,069	(1,009)
Postage	6,255	6,305	(50)
Advertising	635	908	(273)
Printing	1,885	4,443	(2,558)
Telephone	1,080	1,513	(433)
Training Registration	250	150	100
Conference Registrations	165	28	137

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TOWN OF BARRE, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
Clerk/Town Treasurer Office:			
Dues	\$ 335	\$ 330	\$ 5
Subscription	180	180	0
Legal Fees	3,000	2,332	668
Bank Service Fees	530	740	(210)
Misc. - Restoration of Records	14,145	13,359	786
Miscellaneous	135	946	(811)
Muni Vault Shelves	0	28,625	(28,625)
Interfund Transfers	0	0	0
Total Clerk/Town Treasurer Office	204,695	238,966	(34,271)
Data Processing:			
Regular	5,840	5,573	267
Town Equipment Charges	7,825	7,825	0
Equipment Repair Costs	200	0	200
Office Equipment	205	0	205
Office Supplies	50	363	(313)
Internet Access	4,150	4,143	7
Training Registration	200	25	175
Comp. Software Maint. & Upgrade	25,170	55,067	(29,897)
Total Data Processing	43,640	72,996	(29,356)
Planning/Zoning/Community Development:			
Salaries	98,565	85,602	12,963
Bonus	495	0	495
Mileage	930	802	128
Office Supplies	1,050	726	324
Postage	1,810	1,810	0
Advertising	1,000	2,133	(1,133)
Printing	350	212	138
Miscellaneous	125	250	(125)
Telephone	780	1,113	(333)
Training Registrations	200	125	75
Conference Registrations	125	0	125
Travel & Lodging	25	0	25
Training Materials	25	0	25
Reference Books	110	111	(1)
Engineering/Architect Services	1,000	880	120
Legal Fees	500	0	500
Comp. Software Maint & Upgrade	5,600	5,126	474
Contracts with Others	100	0	100
Total Planning/Zoning/Community Development	112,790	98,890	13,900
Assessor:			
Regular	26,320	51,022	(24,702)
Bonus	120	0	120
Mileage	50	45	5
Office Supplies	550	494	56
Postage	1,775	1,775	0
Advertising	290	405	(115)
Printing	150	0	150
Telephone	635	633	2

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TOWN OF BARRE, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
Assessor:			
Training	\$ 150	\$ 0	\$ 150
Legal Fees	300	0	300
Comp. Software Main & Upgrade	9,180	8,490	690
Assessor's Contract	<u>32,000</u>	<u>30,704</u>	<u>1,296</u>
Total Assessor	<u>71,520</u>	<u>93,568</u>	<u>(22,048)</u>
Municipal Building:			
Salaries	13,015	10,135	2,880
Town Equipment Charges	2,660	3,521	(861)
Radio Rentals & Repairs	430	430	0
Equipment Maintenance and Repairs	1,430	104	1,326
Equipment Rentals	80	49	31
Small Equipment Purchases	1,900	1,865	35
Other Supplies	205	0	205
Sewer & Water	1,015	758	257
Electricity	11,800	11,476	324
Heat	5,965	6,424	(459)
Building Fund -Transfer Out	8,800	8,800	0
Supplies	2,590	3,073	(483)
Building Main. & Repairs	9,660	11,045	(1,385)
Furniture and Fixtures	715	713	2
Miscellaneous	220	360	(140)
Rubbish Removal	1,600	861	739
Cleaning Services	<u>1,425</u>	<u>2,256</u>	<u>(831)</u>
Total Municipal Building	<u>63,510</u>	<u>61,870</u>	<u>1,640</u>
Total General Government	<u>786,010</u>	<u>880,674</u>	<u>(94,664)</u>
Public Safety:			
Police:			
Regular	418,825	433,327	(14,502)
Overtime	64,500	37,203	27,297
Thunder Road Wages	19,740	11,613	8,127
Coverage/Specials	20,820	9,171	11,649
Training	4,500	2,776	1,724
Bonus	5,615	5,250	365
Vacation	46,225	46,595	(370)
Sick	5,240	1,053	4,187
Holiday	3,495	2,808	687
Bereavement	0	1,300	(1,300)
Comp Time	0	1,939	(1,939)
Town Equipment Charges	134,970	134,970	0
Mileage	2,885	377	2,508
Radio Rentals & Repairs	3,165	2,190	975
Equipment Contracts	7,625	8,020	(395)
Equipment Repair Costs	1,500	664	836
Equipment Rentals	4,745	3,533	1,212
Equipment Purchases	10,550	15,063	(4,513)
Office Supplies	800	589	211
Other Supplies	550	378	172
Postage	325	330	(5)
Advertising	1,150	406	744
Printing	765	846	(81)
Telephone	5,090	5,098	(8)
Mobile Data Internet Charges	<u>2,400</u>	<u>2,227</u>	<u>173</u>

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TOWN OF BARRE, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
Police/(Cont'd):			
Building Fund - Transfer Out	\$ 50	\$ 50	\$ 0
Training	5,000	2,064	2,936
Travel & Lodging	750	186	564
Dues	200	120	80
Subscriptions	0	0	0
Training Materials	5,910	5,040	870
Reference Books	0	(41)	41
Public Education Programs	750	779	(29)
Legal Services	500	101	399
Medical Vet Expenses	0	293	(293)
Contracts with Other Towns	99,480	98,978	502
Outside Lab Services	500	0	500
Miscellaneous	1,145	504	641
T. Road Pmts to WCSD	1,600	1,612	(12)
Unbudgeted Grant Expenditure	0	3,020	(3,020)
Uniforms	7,155	7,453	(298)
Shoe Allowance	1,200	900	300
Personal Protective Eq. & Supp	1,310	2,869	(1,559)
Donation Expenses	0	128	(128)
	<u>891,030</u>	<u>851,782</u>	<u>39,248</u>
Total Police			
Fire:			
Regular	57,100	59,621	(2,521)
Regular Wages-Fire Warden	2,950	2,213	737
Reg Wages - Hydrants	200	0	200
DPW Assisted Overtime	150	91	59
Training	11,550	0	11,550
Town Equipment Charges	150,545	150,972	(427)
Mileage	750	871	(121)
Radio Rentals & Repairs	7,775	8,699	(924)
Radio Rent/Rprs-Fire Wrdrn	0	2	(2)
Equipment Repair Costs	4,315	2,469	1,846
Equipment Purchases	9,800	8,873	927
Equipment Replacement Reserve	3,000	0	3,000
Large Equip Purchase - Principal	43,860	43,857	3
Large Equip Purchase Interest	1,475	1,478	(3)
FD Office Equip	0	130	(130)
Hand Tools	100	0	100
Office Supplies	100	177	(77)
Other Supplies	1,225	0	1,225
Grease & Oil	15	13	2
Gasoline	120	37	83
Postage	515	515	0
Misc. Supplies/Expenses	3,075	3,190	(115)
Sewer & Water	1,645	1,824	(179)
Electricity	5,835	4,874	961
Telephone	780	1,306	(526)
Telephone-Fire Warden	215	169	46
Internet Access	1,920	2,055	(135)
Email Accessory Service	1,575	1,721	(146)
Heat	12,950	9,638	3,312
Building Fund - Transfer Out	9,010	9,010	0
Supplies	710	424	286
Building Maint. & Repairs	10,825	2,124	8,701
Furniture and Fixtures	500	526	(26)
Training	630	274	356
Travel & Lodging	50	0	50
Dues	750	726	24

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TOWN OF BARRE, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
Fire/(Cont'd):			
Training Materials	\$ 50	\$ 0	\$ 50
Public Education Programs	650	448	202
Legal Expenses	0	68	(68)
Contracts with Other Towns	47,640	47,639	1
Contracted Service	6,445	6,254	191
Miscellaneous	2,525	1,184	1,341
Volunteer's Accident Policy	2,025	3,812	(1,787)
Personal Protective Equip/Supp	4,000	3,627	373
Gear Replacement Reserve	8,500	0	8,500
Immunizations	225	0	225
Misc. - Fire Warden	650	446	204
	<u>418,725</u>	<u>381,357</u>	<u>37,368</u>
Total Fire			
Emergency Management:			
Regular	900	900	0
Town Equipment Charges	1,955	1,955	0
Radio Rentals & Repairs	775	747	28
Office Supplies	25	0	25
Other Supplies	0	673	(673)
Advertising	50	0	50
Telephone	195	78	117
Furniture and Fixtures	0	0	0
Training	100	24	76
Training Materials	50	0	50
Other Outside Services	1,480	633	847
	<u>5,530</u>	<u>5,010</u>	<u>520</u>
Total Emergency Management			
Total Public Safety	<u>1,315,285</u>	<u>1,238,149</u>	<u>77,136</u>
Ambulance Service:	<u>562,555</u>	<u>562,555</u>	<u>0</u>
Highway:			
Engineering Administration:			
Regular	130,700	119,061	11,639
Overtime	500	192	308
Bonus	1,450	(298)	1,748
Town Equipment Charges	34,995	34,995	0
Mileage	50	0	50
Radio Rentals & Repairs	5,645	5,644	1
Small Equipment and Furniture and Fixtures	1,025	631	394
Office Supplies	485	172	313
Postage	230	230	0
Advertising	1,415	2,900	(1,485)
Printing	100	29	71
Telephone	1,030	1,285	(255)
Training Registration	335	0	335
Dues	1,155	300	855
Audit & Accounting	8,435	13,833	(5,398)
Engineering/Architectural Service	2,000	2,475	(475)
Legal Fees	1,000	1,563	(563)
Miscellaneous	14,120	16,890	(2,770)
Permits & Licenses	7,805	8,107	(302)
	<u>212,475</u>	<u>208,009</u>	<u>4,466</u>
Total Engineering Administration			

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TOWN OF BARRE, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
Summer Maintenance:			
Regular	\$ 162,905	\$ 82,650	\$ 80,255
Overtime	3,000	1,598	1,402
Town Equipment Charges	275,455	137,919	137,536
Equipment Rentals	12,200	4,480	7,720
Large Equipment	20,700	20,698	2
Small Equipment	900	887	13
Hand Tools	800	734	66
Other Supplies	11,075	20,265	(9,190)
Drainage Supplies	14,445	9,673	4,772
Summer Maintenance Water - Sewer	1,500	931	569
Contracted Highway Service	128,105	139,936	(11,831)
Total Summer Maintenance	631,085	419,771	211,314
Winter Maintenance:			
Regular	166,100	152,924	13,176
Overtime	44,060	46,391	(2,331)
Town Equipment Charges	311,680	311,681	(1)
Radio Rentals & Repairs	70	69	1
Other Materials	3,375	2,415	960
Other Supplies	900	1,766	(866)
Miscellaneous - Salt and Sand	200,000	199,176	824
Building Fund - Transfer Out	1,895	1,895	0
Other Highway Outside Services	66,870	58,480	8,390
Miscellaneous	75	65	10
Total Winter Maintenance	795,025	774,862	20,163
Summer Construction:			
Regular	32,490	59,480	(26,990)
Overtime	600	631	(31)
Town Equipment Charges	53,680	104,867	(51,187)
Equipment Rental	6,700	7,978	(1,278)
Drainage Supplies	12,000	9,437	2,563
Highway Supplies	4,920	5,917	(997)
Paving Costs	392,120	404,146	(12,026)
Other Highway Outside Services	99,105	88,686	10,419
Total Summer Construction	601,615	681,142	(79,527)
Retreatment:			
Regular	15,395	9,172	6,223
Overtime	300	0	300
Town Equipment Charges	30,180	14,520	15,660
Equipment Rental	3,500	1,466	2,034
Drainage Supplies	7,120	188	6,932
Highway Supplies	3,000	1,744	1,256
Paving Costs	255,825	288,815	(32,990)
Total Retreatment	315,320	315,905	(585)

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TOWN OF BARRE, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
Employee Benefits:			
Bonus	\$ 300	\$ 300	\$ 0
Vacation	25,455	17,938	7,517
Sick	8,940	14,777	(5,837)
Holiday	16,095	15,537	558
Floater Holiday	6,290	6,320	(30)
Wellness	2,200	3,249	(1,049)
Personal Holiday	1,400	723	677
Comp Time	4,400	7,435	(3,035)
Workman's Comp Insurance	46,660	43,026	3,634
Unemployment	3,515	3,290	225
Retirement Group B	34,465	30,455	4,010
Health Insurance	151,265	145,848	5,417
Health Insurance Buy-Out	2,250	0	2,250
Health Deduct. & Co-Pay Reimb.	5,000	3,455	1,545
Dental Insurance	4,425	4,138	287
Health Savings Account	1,625	490	1,135
Vision Reimbursements	75	0	75
Disability and Life Insurance	4,640	5,139	(499)
Social Security	49,365	42,649	6,716
Uniforms	2,975	4,680	(1,705)
Boots	1,535	868	667
Protective Personal EG & Supp	1,200	1,067	133
Immunizations	400	0	400
Misc. - CDL Lisc. Renewal	380	510	(130)
Total Employee Benefits	374,855	351,894	22,961
Gravel Pits:			
Regular	14,000	16,670	(2,670)
Overtime	500	1,544	(1,044)
Town Equipment Charges	41,080	59,158	(18,078)
Equipment Rentals	2,400	2,250	150
Other Supplies	3,430	5,954	(2,524)
Building Fund - Transfer Out	35	35	0
Building Maintenance and Repairs	25	0	25
Training Registration	1,050	600	450
Engineering	600	700	(100)
Other Highway Outside Services	125	0	125
Miscellaneous	50	59	(9)
Permits, Licenses	160	160	0
Taxes	1,270	1,100	170
Total Gravel Pits	64,725	88,230	(23,505)
Street and Traffic Signs:			
Regular	6,210	6,458	(248)
Overtime	75	0	75
Town Equipment Charges	3,200	3,592	(392)
Other Supplies	6,355	9,772	(3,417)
House Number Sign	0	143	(143)
Electricity - Street Lights	89,870	96,494	(6,624)
Total Streets and Traffic Signs	105,710	116,459	(10,749)
Total Highway	3,100,810	2,956,272	144,538

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TOWN OF BARRE, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Sanitation:			
Regular	\$ 3,605	\$ 5,904	\$ (2,299)
Overtime	6,955	2,702	4,253
Town Equipment Charges	14,255	13,561	694
Equipment Rental	700	785	(85)
Disposal Fees	400	576	(176)
Advertising	45	0	45
Miscellaneous	890	1,112	(222)
Dues - CVSWMD	8,160	8,157	3
Other Outside Services	22,825	24,178	(1,353)
Green Up Day Expenses	<u>0</u>	<u>75</u>	<u>(75)</u>
Total Sanitation	<u>57,835</u>	<u>57,050</u>	<u>785</u>
Health and Welfare:			
Health Officer:			
Regular	1,900	1,389	511
Training Registration	75	0	75
Legal Fees	125	0	125
Other Outside Services	<u>0</u>	<u>10</u>	<u>(10)</u>
Total Health Officer	<u>2,100</u>	<u>1,399</u>	<u>701</u>
Animal Control:			
Regular	5,500	556	4,944
ACO Training	100	0	100
Mileage	685	173	512
Other Supplies	200	30	170
Postage	20	20	0
Advertising	0	203	(203)
Printing	60	0	60
Telephone	375	149	226
Training Registration	75	0	75
Legal Fees	125	0	125
Outside Services	150	0	150
Misc. (Kennel / Vet. Fees)	2,500	2,500	0
Uniforms and Shoes	100	0	100
Personal Protective Eq. & Supp	50	0	50
Immunizations	<u>800</u>	<u>0</u>	<u>800</u>
Total Animal Control	<u>10,740</u>	<u>3,631</u>	<u>7,109</u>
Total Health and Welfare	<u>12,840</u>	<u>5,030</u>	<u>7,810</u>
Culture, Recreation, Development and Transportation:			
Contributions:			
Central VT Home Health Hospice	16,000	16,000	0
Peoples Health & Wellness Clinic	1,500	1,500	0
Project Independence	5,500	5,500	0
Central VT Agency on Aging	6,000	6,000	0
Circle	2,000	2,000	0
Washington County Diversion	2,500	2,500	0
Central VT Adult Basic Education	2,900	2,900	0
Family Center of Washington Co	1,500	1,500	0
Central VT Community Action	1,000	1,000	0
Barre Senior Center	7,500	7,500	0
Sexual Assault Crisis Team	350	350	0
Washington County Youth Services	500	500	0
Retired Volunteer Program for Central Vermont	1,000	1,000	0

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TOWN OF BARRE, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Favorable/ (Unfavorable)
Contributions(Cont'd):			
Prevent Child Abuse Vermont	\$ 1,200	\$ 1,200	\$ 0
Vermont Center for Independent Living	2,000	2,000	0
Good Beginnings of Central VT	500	500	0
Good Samaritan Haven	3,500	3,500	0
Barre Homecoming Days	4,000	4,000	0
Aldrich Library	180,000	180,000	0
Total Contributions	239,450	239,450	0
Recreation:			
Regular	59,700	63,826	(4,126)
Overtime	1,400	264	1,136
Holiday	0	85	(85)
Town Equipment Charges	11,805	11,994	(189)
Mileage	800	1,182	(382)
Equipment Repair Costs	450	174	276
Equipment Rentals	100	50	50
Equipment Purchases	1,815	1,418	397
Hand Tools	450	136	314
Grease & Oil	80	(13)	93
Other Supplies	14,300	10,073	4,227
Travis Mercy Skate Park	0	161	(161)
Other Supplies EB Bike Path	2,000	0	2,000
Program Expenses	5,440	2,431	3,009
Postage	40	40	0
Advertising	400	39	361
Miscellaneous	50	601	(551)
Sewer & Water	1,450	1,619	(169)
Electricity	2,465	2,653	(188)
Telephone	380	404	(24)
Capital Improvements	29,000	33,131	(4,131)
Building Fund - Transfer Out	3,835	3,835	0
Supplies (Paper Products, etc.)	2,335	3,013	(678)
Building Maintenance & Repairs	2,465	1,480	985
Furniture & Fixtures	11,500	18,650	(7,150)
Miscellaneous	3,980	6,681	(2,701)
Rubbish Removal	1,300	1,343	(43)
Training Registrations	0	250	(250)
Other Outside Services	55,615	20,920	34,695
Miscellaneous	750	250	500
Uniforms and Shoes	150	0	150
Donation Expenses	0	1,603	(1,603)
Total Recreation	214,055	188,293	25,762
Development:			
Appropriations	58,510	58,509	1
Barre Partnership	5,000	5,000	0
Development - Misc.	400	400	0
Mowing Wilson Indus Park	695	846	(151)
Total Development	64,605	64,755	(150)
Transportation:	4,875	4,875	0
Total Culture/Recreation/Development and Transportation	522,985	497,373	25,612

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TOWN OF BARRE, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Long-Term Debt:			
Debt Service - Principal	\$ 8,120	\$ 8,120	\$ 0
Interest	<u>280</u>	<u>282</u>	<u>(2)</u>
Total Long-Term Debt	<u>8,400</u>	<u>8,402</u>	<u>(2)</u>
Insurance and Benefits:			
Insurance:			
General Liability	11,440	12,418	(978)
Police/Fire/Liability	13,655	13,705	(50)
Public Officials Liability & Bond	8,555	9,175	(620)
Employment Practices	14,640	15,130	(490)
Building & Contents	9,535	10,258	(723)
Commercial Blanket Bond	<u>4,330</u>	<u>4,515</u>	<u>(185)</u>
Total Insurance	<u>62,155</u>	<u>65,201</u>	<u>(3,046)</u>
Benefits:			
Workman's Comp Insurance	57,345	61,768	(4,423)
Unemployment	8,120	7,700	420
Retirement	69,940	64,454	5,486
Health Insurance Premium	188,005	190,705	(2,700)
Health Insurance Buy-Out	10,435	0	10,435
Health Deductible & Co-Pay	9,750	4,285	5,465
Dental Insurance	7,350	8,062	(712)
Health Savings Account	18,750	21,727	(2,977)
Vision Reimbursements	800	105	695
Catamount Assessment	0	1,230	(1,230)
VT Healthcare	6,735	1,624	5,111
Disability & Life Insurance	7,515	(1,224)	8,739
Social Security	94,070	90,902	3,168
Miscellaneous	25	200	(175)
Health Club Reimbursements	<u>125</u>	<u>0</u>	<u>125</u>
Total Benefits	<u>478,965</u>	<u>451,538</u>	<u>27,427</u>
Total Insurance and Benefits	<u>541,120</u>	<u>516,739</u>	<u>24,381</u>
Other :			
Property Purchases	1	0	1
VLCT	10,530	10,529	1
Williamstown Taxes	2,010	0	2,010
Washington County Tax	58,865	60,346	(1,481)
Front Porch Forum	<u>500</u>	<u>500</u>	<u>0</u>
Total Other	<u>71,906</u>	<u>71,375</u>	<u>531</u>
Equipment Charges:	<u>21,305</u>	<u>21,305</u>	<u>0</u>
Transfer to Cemetery Fund:	<u>27,150</u>	<u>27,150</u>	<u>0</u>
Total Expenditures	<u>7,028,201</u>	<u>6,842,074</u>	<u>186,127</u>
Excess/(Deficiency) of Revenues Over Expenditures	\$ <u>(59,450)</u>	21,064	\$ <u>80,514</u>
Fund Balance - July 1, 2019		<u>3,408,658</u>	
Fund Balance - June 30, 2020		\$ <u>3,429,722</u>	

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TOWN OF BARRE, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2020

	Special Revenue Funds	Permanent Fund Cemetery Trust Fund	Total
<u>ASSETS</u>			
Cash	\$ 313,605	\$ 16,701	\$ 330,306
Investments	203,013	240,077	443,090
Due from Other Funds	90,397	44,877	135,274
Total Assets	\$ 607,015	\$ 301,655	\$ 908,670
<u>LIABILITIES</u>			
Accounts Payable	\$ 14,154	\$ 0	\$ 14,154
Accrued Payroll	1,468	0	1,468
Total Liabilities	15,622	0	15,622
<u>FUND BALANCES</u>			
Nonspendable	0	225,837	225,837
Restricted	0	75,818	75,818
Committed	54,731	0	54,731
Assigned	536,662	0	536,662
Total Fund Balances	591,393	301,655	893,048
Total Liabilities and Fund Balances	\$ 607,015	\$ 301,655	\$ 908,670

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TOWN OF BARRE, VERMONT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds	Permanent Fund Cemetery Trust Fund	Total
Revenues:			
Charges for Services	63,436	0	63,436
Donations	471	0	471
Investment Income	5,273	16,654	21,927
Total Revenues	<u>69,180</u>	<u>16,654</u>	<u>85,834</u>
Expenditures:			
General Government	42,050	0	42,050
Cemetery	60,587	0	60,587
Total Expenditures	<u>102,637</u>	<u>0</u>	<u>102,637</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>(33,457)</u>	<u>16,654</u>	<u>(16,803)</u>
Other Financing Sources/(Uses):			
Transfers In	38,435	2,100	40,535
Transfers Out	(2,100)	(11,285)	(13,385)
Total Other Financing Sources/(Uses)	<u>36,335</u>	<u>(9,185)</u>	<u>27,150</u>
Net Change in Fund Balances	2,878	7,469	10,347
Fund Balances - July 1, 2019	<u>588,515</u>	<u>294,186</u>	<u>882,701</u>
Fund Balances - June 30, 2020	<u>\$ 591,393</u>	<u>\$ 301,655</u>	<u>\$ 893,048</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF BARRE, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2020

	Cemetery Fund	Recreation Fund	Reappraisal Fund	Total
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 313,605	\$ 313,605
Investments	0	0	203,013	203,013
Due from Other Funds	56,983	2,052	31,362	90,397
Total Assets	\$ 56,983	\$ 2,052	\$ 547,980	\$ 607,015
<u>LIABILITIES</u>				
Accounts Payable	\$ 784	\$ 0	\$ 13,370	\$ 14,154
Accrued Payroll	1,468	0	0	1,468
Total Liabilities	2,252	0	13,370	15,622
<u>FUND BALANCES</u>				
Committed	54,731	0	0	54,731
Assigned	0	2,052	534,610	536,662
Total Fund Balances	54,731	2,052	534,610	591,393
Total Liabilities and Fund Balances	\$ 56,983	\$ 2,052	\$ 547,980	\$ 607,015

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF BARRE, VERMONT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Cemetery Fund	Recreation Fund	Reappraisal Fund	Total
Revenues:				
Charges for Services	\$ 32,334	\$ 0	\$ 31,102	\$ 63,436
Donations	471	0	0	471
Investment Income	<u>0</u>	<u>0</u>	<u>5,273</u>	<u>5,273</u>
Total Revenues	<u>32,805</u>	<u>0</u>	<u>36,375</u>	<u>69,180</u>
Expenditures:				
General Government	0	0	42,050	42,050
Cemetery	<u>60,587</u>	<u>0</u>	<u>0</u>	<u>60,587</u>
Total Expenditures	<u>60,587</u>	<u>0</u>	<u>42,050</u>	<u>102,637</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>(27,782)</u>	<u>0</u>	<u>(5,675)</u>	<u>(33,457)</u>
Other Financing Sources/(Uses):				
Transfers In	38,435	0	0	38,435
Transfers Out	<u>(2,100)</u>	<u>0</u>	<u>0</u>	<u>(2,100)</u>
Total Other Financing Sources/(Uses)	<u>36,335</u>	<u>0</u>	<u>0</u>	<u>36,335</u>
Net Change in Fund Balances	8,553	0	(5,675)	2,878
Fund Balances - July 1, 2019	<u>46,178</u>	<u>2,052</u>	<u>540,285</u>	<u>588,515</u>
Fund Balances - June 30, 2020	<u>\$ 54,731</u>	<u>\$ 2,052</u>	<u>\$ 534,610</u>	<u>\$ 591,393</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF BARRE, VERMONT
 COMBINING SCHEDULE OF FUND NET POSITION
 INTERNAL SERVICE FUNDS
 JUNE 30, 2020

	Equipment Fund	Building Maintenance Fund	Total
<u>ASSETS</u>			
Current Assets:			
Due from Other Funds	\$ 0	\$ 234,586	\$ 234,586
Prepaid Expenses	1,061	0	1,061
Total Current Assets	1,061	234,586	235,647
Noncurrent Assets:			
Capital Assets:			
Buildings and Building Improvements	824,677	519,942	1,344,619
Machinery, Equipment and Vehicles	6,995,951	0	6,995,951
Less: Accumulated Depreciation	(4,849,406)	(181,194)	(5,030,600)
Total Noncurrent Assets	2,971,222	338,748	3,309,970
Total Assets	2,972,283	573,334	3,545,617
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the Town's Participation in VMERS			
	41,284	0	41,284
Total Deferred Outflows of Resources	41,284	0	41,284
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	45,920	1,400	47,320
Accrued Payroll	4,134	0	4,134
Due to Other Funds	431,823	0	431,823
Advance from Other Fund	106,154	0	106,154
Notes Payable - Current Portion	64,941	0	64,941
General Obligation Bonds Payable - Current Portion	35,000	0	35,000
Total Current Liabilities	687,972	1,400	689,372
Noncurrent Liabilities:			
Compensated Absences Payable	28,882	0	28,882
Net Pension Liability	96,145	0	96,145
Notes Payable - Noncurrent Portion	66,687	0	66,687
General Obligation Bonds Payable - Noncurrent Portion	105,000	0	105,000
Total Noncurrent Liabilities	296,714	0	296,714
Total Liabilities	984,686	1,400	986,086
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows of Resources Related to the Town's Participation in VMERS			
	2,251	0	2,251
Total Deferred Inflows of Resources	2,251	0	2,251
<u>NET POSITION</u>			
Net Investment in Capital Assets	2,699,594	338,748	3,038,342
Unrestricted/(Deficit)	(672,964)	233,186	(439,778)
Total Net Position	\$ 2,026,630	\$ 571,934	\$ 2,598,564

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF BARRE, VERMONT
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Equipment Fund	Building Maintenance Fund	Total
Operating Revenues:			
Charges for Services	\$ 1,332,677	\$ 59,580	\$ 1,392,257
Other	20,133	0	20,133
Total Operating Revenues	1,352,810	59,580	1,412,390
Operating Expenses:			
Salaries and Benefits	259,028	0	259,028
Other Operating Expenses	476,889	9,452	486,341
Depreciation	473,670	24,277	497,947
Total Operating Expenses	1,209,587	33,729	1,243,316
Operating Income	143,223	25,851	169,074
Non-Operating Revenues/(Expenses):			
Gain on Sale of Equipment	16,006	0	16,006
Interest Expense	(12,859)	0	(12,859)
Total Non-Operating Revenues/(Expenses)	3,147	0	3,147
Change in Net Position	146,370	25,851	172,221
Net Position - July 1, 2019	1,880,260	546,083	2,426,343
Net Position - June 30, 2020	\$ 2,026,630	\$ 571,934	\$ 2,598,564

See Disclaimer in Accompanying Independent Auditor's Report.

Sullivan, Powers & Co., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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VT Lic. #92-000180

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

Board of Selectmen
Town of Barre
Websterville, Vermont 05678

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 Town of Barre, Vermont as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Town of Barre, Vermont's basic financial statements and have issued our report thereon dated March 24, 2021. The report on the financial statements was qualified because the Town's internal service activity is not presented in accordance with accounting principles generally accepted in the United States of America. This activity is presented in Internal Service Funds when it would be more appropriate for it to be in the General Fund and a Capital Project Fund. Accordingly, our opinion is qualified for the General Fund and Aggregate Remaining Fund information.

Internal Control Over Financial Reporting

In planning and performing the audit, we considered the Town of Barre, Vermont's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Barre, Vermont's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Barre, Vermont's internal control over financial reporting.

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. However, as described in the accompanying Schedule of Findings and Deficiencies in Internal Control, we identified certain deficiencies that we consider to be material weaknesses.

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 Town 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.

We consider the deficiencies described in the accompanying Schedule of Findings and Deficiencies in Internal Control as Items 2020-01 and 2020-02 to be material weaknesses.

Compliance and Other Matters

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

We also noted certain other matters that we reported to the management of the Town of Barre, Vermont in a separate letter dated March 24, 2021.

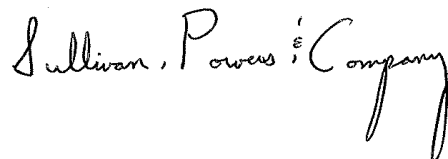
Town of Barre, Vermont's Response to Deficiencies in Internal Control

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

Purpose of this Report

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

March 24, 2021
Montpelier, Vermont
VT Lic. #92-000180



TOWN OF BARRE, VERMONT
SCHEDULE OF FINDINGS AND DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2020

Deficiencies in Internal Control:

Material Weakness:

2020-01 Authorization of General Journal Entries

Criteria:

Internal controls should be in place that requires appropriate individuals to authorize and review all adjustments to the books of original entry. In addition, support for the adjustments should be available for review.

Condition:

The Town does not have a policy in place to require authorization or review of adjustments to the books of original entry or for the adjustments to be supported by appropriate documentation. Journal entries are prepared and entered by the Town's contract accountant without any review or approval by the Town.

Cause:

Unknown.

Effect:

This deficiency in the internal control structure could allow other working control policies to be circumvented.

Recommendation:

We recommend that the Town enact a policy that requires appropriate officials to authorize and review all general journal entries so as not to circumvent the original approval process.

2020-02 Accounts Payable

Criteria:

Internal controls should be in place to record all accounts payable at the end of the fiscal year.

Condition:

Approximately \$27,000 due to the City of Barre for water purchases was not recorded as a liability for the Town. The bill from the City covered portions of both the FY20 and FY21 periods and was only recorded in FY21.

TOWN OF BARRE, VERMONT
SCHEDULE OF FINDINGS AND DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2020

Cause:

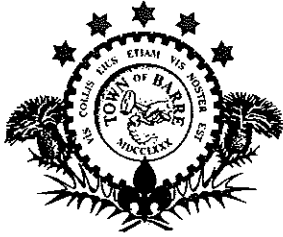
The bill was recorded based on the billing date of September 1, 2020 instead of the period of service.

Effect:

Liabilities and expenses were understated.

Recommendation:

We recommend that the Town implement controls to ensure that all liabilities due at the end of the fiscal year be recorded in the Town's accounts payable. Invoices during the first 90 days of the new fiscal year should be closely reviewed for charges incurred in the previous fiscal year.



TOWN OF BARRE, VERMONT

OFFICE OF THE TOWN MANAGER

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TOWN MANAGER:

Carl Rogers

crogers@barretown.org

March 24, 2021

Sullivan, Powers and Company
77 Barre Street
P.O. Box 947
Montpelier, VT 05602

Re: June 30, 2020 Audit, Deficiencies

Dear Sullivan, Powers,

2020-01 Authorization of General Journal Entries

We accept your recommendation that the Town adopt a policy that requires appropriate officials to authorize and review all general journal entries so as not to circumvent the original approval process. As of March 8, 2021, the Town has hired a Director of Finance and an authorization form has been created. A policy will be written and taken to the Selectboard for approval and adoption.

2020-02: Accounts Payable

We accept your recommendation to implement controls that ensure that all liabilities due at the end of the fiscal year are recorded in the Town's accounts payable. Invoices will be closely monitored to ensure that expenses are recorded to the appropriate fiscal year.

Sincerely,

Carl Rogers

Town Manager

Donna J. Kelty

Town Clerk-Treasurer