

TOWN OF BARRE, VERMONT

AUDIT REPORT

JUNE 30, 2015

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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, 2015, 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.

Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Barre, Vermont as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note I to the financial statements, effective June 30, 2015, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 68, "Financial Reporting for Pension Plans" – an amendment of GASB Statement No. 27. As a result of this required change in accounting principle, the Town recorded a \$179,432 reduction in beginning net position of the Governmental Activities, a \$91,655 reduction in beginning net position of the Business-type Activities and Ambulance Fund and a \$18,624 reduction in beginning net position of the Equipment Internal Service Fund. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10, the Schedule of Proportionate Share of the Net Pension Liability on Schedule 1 and the Schedule of Contributions on Schedule 2 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 and budgetary comparison schedule for the General Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by "Government Auditing Standards"

In accordance with "Government Auditing Standards", we have also issued our report dated June 24, 2016 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.

June 24, 2016
Montpelier, Vermont
Vt Lic. #92-000180

Sullivan, Powers & Company

TOWN OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015

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, 2015. This report should be read in conjunction with the Town's financial statements.

Financial Highlights

- The Town's net position increased by \$536,404 as a result of this year's operations. Net position of our business-type activities increased by \$187,809 and net position of our governmental activities increased by \$348,595.

In the Town's business-type activities, revenues and transfers were \$3,239,219 while expenses and transfers were \$3,051,410. Net position at June 30, 2015 totaled \$3,683,389.

- The cost of all of the Town's programs was \$8,790,720 this year, with no new programs added.
- The General Fund reported a surplus this year of \$197,456.

The unassigned fund balance for the General Fund was \$2,315,894 as of June 30, 2015. This amount represents the amount of funds available for future budgets. 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 deficit this year of \$6,747, which resulted in a fund balance of \$673,869 as of June 30, 2015.
- The Construction Fund reported a deficit this year of \$2,527 which resulted in a fund balance of \$318,107.
- The Non-major Funds reported a surplus of \$32,660 this year which increased the cumulative surplus to \$716,347.

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 and liabilities 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
YEAR ENDED JUNE 30, 2015
(Continued)

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 – 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 13 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 D and F 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
YEAR ENDED JUNE 30, 2015
(Continued)

The Town as a Whole

The Town's combined net position increased by \$536,404 from 2014, increasing from a balance of \$19,623,036 to \$20,159,440. 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 | |
|--|----------------------------|---------------|-----------------------------|--------------|---------------------|---------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Current and other assets | \$ 5,715,389 | \$ 5,614,387 | \$ 572,356 | \$ 221,014 | \$ 6,287,745 | \$ 5,835,401 |
| Capital assets | 12,956,342 | 13,215,935 | 4,760,720 | 4,989,136 | 17,717,062 | 18,205,071 |
| Total assets | 18,671,731 | 18,830,322 | 5,333,076 | 5,210,150 | 24,004,807 | 24,040,472 |
| Deferred outflows of resources | 102,975 | - | 52,602 | - | 155,577 | - |
| Other liabilities | 610,372 | 813,524 | 569,338 | 566,411 | 1,179,710 | 1,379,935 |
| Long term liabilities | 1,476,788 | 1,708,435 | 1,026,892 | 1,056,504 | 2,503,680 | 2,764,939 |
| Total liabilities | 2,087,160 | 2,521,959 | 1,596,230 | 1,622,915 | 3,683,390 | 4,144,874 |
| Deferred inflows of resources-prepaid taxes | 211,495 | 1,476 | 106,059 | - | 317,554 | 1,476 |
| Net position: | | | | | | |
| Net investment in capital assets | 11,923,726 | 11,901,685 | 3,427,231 | 3,590,372 | 15,350,957 | 15,492,057 |
| Restricted | 1,573,510 | 1,274,362 | 556,023 | 535,723 | 2,129,533 | 1,810,085 |
| Unrestricted (deficit) | 2,978,815 | 3,130,840 | (299,865) | (538,860) | 2,678,950 | 2,591,980 |
| Total net position | \$ 16,476,051 | \$ 16,306,887 | \$ 3,683,389 | \$ 3,587,235 | \$ 20,159,440 | \$ 19,894,122 |

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 \$3,130,840 surplus at June 30, 2014, to a \$2,978,815 surplus at June 30, 2015 for the governmental activities. This decrease is due to the increase in restricted governmental fund balances for the year.

The net position of our business-type activities increased to \$3,683,389 compared to \$3,587,235 in fiscal year 2014. The Town generally can only use these net position to finance the continuing operations of the sewer, water, and ambulance operations. This increase is due to improved profitability in the sewer fund.

TOWN OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015
(Continued)

Table 2
Change in Net Position

| | 2015 | | | 2014 | | |
|--|----------------------------|-----------------------------|---------------------|----------------------------|-----------------------------|---------------------|
| | Governmental Activities | Business-type Activities | Total Government | Governmental Activities | Business-type Activities | Total Government |
| REVENUES | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 207,040 | \$ 2,836,510 | \$ 3,043,550 | \$ 227,251 | \$ 2,642,876 | \$ 2,870,127 |
| Operating grants | 163,117 | - | 163,117 | 353,384 | - | 353,384 |
| Capital grants and contributions | 441,053 | - | 441,053 | 2,031,023 | - | 2,031,023 |
| General revenues: | | | | | | |
| Property taxes | 5,563,258 | - | 5,563,258 | 5,399,648 | - | 5,399,648 |
| Earnings from investments | 14,652 | 12 | 14,664 | 19,211 | 2 | 19,213 |
| Sale of assets and other | 101,482 | - | 101,482 | 72,494 | 72,846 | 145,340 |
| Total revenues | 6,490,602 | 2,836,522 | 9,327,124 | 8,103,011 | 2,715,724 | 10,818,735 |
| PROGRAM EXPENSES | | | | | | |
| General government | 1,277,865 | - | 1,277,865 | 1,258,095 | - | 1,258,095 |
| Public safety | 1,301,049 | - | 1,301,049 | 1,225,361 | - | 1,225,361 |
| Highways and street | 2,540,241 | - | 2,540,241 | 2,412,748 | - | 2,412,748 |
| Sanitation | 46,787 | - | 46,787 | 49,017 | - | 49,017 |
| Health and welfare | 131,984 | - | 131,984 | 244,612 | - | 244,612 |
| Culture and recreational | 416,156 | - | 416,156 | 357,446 | - | 357,446 |
| Interest on short-term debt | - | - | - | 7,381 | - | 7,381 |
| Interest on long-term debt | 25,228 | - | 25,228 | 39,270 | - | 39,270 |
| Sewer | - | 864,573 | 864,573 | - | 738,527 | 738,527 |
| Water | - | 391,822 | 391,822 | - | 363,300 | 363,300 |
| Ambulance | - | 1,795,015 | 1,795,015 | - | 1,792,851 | 1,792,851 |
| Bus - transfer of assets | - | - | - | - | - | - |
| Total program expenses | 5,739,310 | 3,051,410 | 8,790,720 | 5,593,930 | 2,894,678 | 8,488,608 |
| Excess revenues (expenses) before transfers | 751,292 | (214,888) | 536,404 | 2,509,081 | (178,954) | 2,330,127 |
| Transfers | (402,697) | 402,697 | - | (351,587) | 351,587 | - |
| Increase in net position | \$ 348,595 | \$ 187,809 | \$ 536,404 | \$ 2,157,494 | \$ 172,633 | \$ 2,330,127 |

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

Governmental Activities

The increase in net position for governmental activities was \$348,595 in 2015. Revenues decreased by \$1,612,409 or 19.90%, and expenses increased by \$145,380 or 2.6%, compared to 2014. Most of this decrease in revenue is from grants and contributions received in prior years.

The cost of all governmental activities this year was \$5,739,310. 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 \$4,928,100. Some of the cost was paid by those who directly benefited from the programs (\$207,040) or by other governments and organizations that subsidized certain programs with grants and contributions (\$604,170).

Business-type Activities

The business-type activities net position increased by \$187,809 in 2015. Revenues increased by \$120,798 or 4.4%, and expenses increased by \$156,732 or 5.4%, compared to 2014.

TOWN OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015
(Continued)

Reduced ambulance revenues and increased sewer and water expenses have impacted this year's results in this comparison for Business-Type Activities.

Table 3 presents the cost of each of the Town's six largest programs – general government, public safety, highways and street, sanitation, health and welfare, and culture and recreation – 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

| | Total Cost of Services | Net Cost of Services | Total Cost of Services | Net Cost of Services |
|------------------------|---------------------------|-------------------------|---------------------------|-------------------------|
| | 2015 | | 2014 | |
| General government | \$ 1,277,865 | \$ 1,031,543 | \$ 1,258,095 | \$ 1,030,578 |
| Public safety | 1,301,049 | 1,250,562 | 1,225,361 | 1,146,315 |
| Highways and street | 2,540,241 | 2,075,993 | 2,412,748 | 129,303 |
| Sanitation | 46,787 | 42,800 | 49,017 | 41,628 |
| Health and welfare | 131,984 | 100,801 | 244,612 | 244,612 |
| Culture and recreation | 416,156 | 401,173 | 357,446 | 343,185 |
| Interest on debt | 25,228 | 25,228 | 46,651 | 46,651 |
| Totals | <u>\$ 5,739,310</u> | <u>\$ 4,928,100</u> | <u>\$ 5,593,930</u> | <u>\$ 2,982,272</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 \$4,666,868 which represents an increase of \$220,842 from last year's total of \$4,446,026. Included in this year's total change in fund balance is an increase of \$197,456 in the Town's General Fund, a decrease in the Community Development Fund of \$6,747, a decrease in the Construction Fund of \$2,527 and an increase of \$32,660 in the other non-major governmental funds.

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

| | Budget | Actual | (Unfavorable) |
|----------------------|--------------|--------------|---------------|
| Revenues: | | | |
| Revenues | \$ 5,979,166 | \$ 6,314,700 | \$ 335,534 |
| Expenditures: | | | |
| General Budget | \$ 2,967,541 | \$ 3,018,377 | \$ (50,836) |
| Highways and Streets | \$ 2,608,900 | \$ 2,696,170 | \$ (87,270) |

TOWN OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015
(Continued)

Capital Assets and Debt Administration

Capital Assets

At June 30, 2015, the Town had \$17,717,062 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 decrease (including additions, disposals and depreciation) of \$488,012 from last year.

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

| | Governmental Activities | | Business-type Activities | | Totals | |
|-----------------------|----------------------------|---------------|-----------------------------|--------------|---------------|---------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Land | \$ 1,948,538 | \$ 1,948,538 | \$ - | \$ - | \$ 1,948,538 | \$ 1,948,538 |
| Water/sewer lines | - | - | 9,092,705 | 9,092,705 | 9,092,705 | 9,092,705 |
| Buildings & improv. | 2,101,524 | 2,101,525 | 404,481 | 404,481 | 2,506,005 | 2,506,006 |
| Equipment | 6,575,603 | 6,428,946 | 275,269 | 275,269 | 6,850,872 | 6,704,215 |
| Infrastructure | 12,362,749 | 11,647,734 | - | - | 12,362,749 | 11,647,734 |
| Sewer Capacity Rights | - | - | 333,103 | 333,103 | 333,103 | 333,103 |
| Accum. Depreciation | (10,032,072) | (8,910,808) | (5,344,838) | (5,116,422) | (15,376,910) | (14,027,230) |
| Totals | \$ 12,956,342 | \$ 13,215,935 | \$ 4,760,720 | \$ 4,989,136 | \$ 17,717,062 | \$ 18,205,071 |

Debt Administration

At June 30, 2015, the Town had \$2,033,002 in bonds and capital leases outstanding versus \$2,379,910 on June 30, 2014 – a decrease of \$346,908 – as shown in Table 5.

Table 5
Outstanding Debt at Year-End

| | Governmental Activities | | Business-type Activities | | Totals | |
|--------------------------|----------------------------|--------------|-----------------------------|--------------|--------------|--------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| General obligation bonds | \$ 445,000 | \$ 520,000 | \$ 1,000,386 | \$ 1,065,661 | \$ 1,445,386 | \$ 1,585,661 |
| Capital leases payable | 587,616 | 794,249 | - | - | 587,616 | 794,249 |
| Totals | \$ 1,032,616 | \$ 1,314,249 | \$ 1,000,386 | \$ 1,065,661 | \$ 2,033,002 | \$ 2,379,910 |

TOWN OF BARRE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015
(Continued)

Economic Factors and Next Year's Budgets and Rates

The Town's elected and appointed officials consider many factors when setting the fiscal year 2016 budget, tax rates, and fees.

When adopting the budget for the 2015-2016 year, the Selectboard took into account operational and capital needs of the Town, and the impact of spending on the tax rate.

The Town budgeted no change in fund balance for the fiscal year ending June 30, 2016.

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, 2015

| | Governmental Activities | Business-type Activities | Total |
|--|----------------------------|-----------------------------|---------------|
| <u>ASSETS</u> | | | |
| Cash | \$ 3,788,931 | \$ - | \$ 3,788,931 |
| Investments | 237,682 | - | 237,682 |
| Accounts receivable, net | 57,728 | 370,516 | 428,244 |
| Delinquent taxes receivable, net | 368,624 | - | 368,624 |
| Interest and penalties receivable, net | 129,050 | 69,065 | 198,115 |
| Prepaid expenses | 4,250 | 5,052 | 9,302 |
| Internal balances | (130,760) | 127,723 | (3,037) |
| Notes receivable due within one year | 19,324 | - | 19,324 |
| Notes receivable due after one year | 813,783 | - | 813,783 |
| Land held for sale - Wilson Park | 426,777 | - | 426,777 |
| Capital assets: | | | |
| Land | 1,948,538 | - | 1,948,538 |
| Construction in progress | 183,872 | - | 183,872 |
| Buildings and building improvements | 2,101,524 | 404,481 | 2,506,005 |
| Equipment and vehicles | 6,575,603 | 275,269 | 6,850,872 |
| Infrastructure | 12,178,877 | - | 12,178,877 |
| Sewer/water lines | - | 9,092,705 | 9,092,705 |
| Capacity rights | - | 333,103 | 333,103 |
| Accumulated depreciation | (10,032,072) | (5,344,838) | (15,376,910) |
| Total assets | 18,671,731 | 5,333,076 | 24,004,807 |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | | | |
| Deferred outflows of resources related to the Town's participation in VMERS | 102,975 | 52,602 | 155,577 |
| Total deferred outflows of resources | 102,975 | 52,602 | 155,577 |
| <u>LIABILITIES</u> | | | |
| Accounts payable | 136,309 | 125,214 | 261,523 |
| Accrued wages | 139,328 | 41,245 | 180,573 |
| Accrued interest payable | 19,401 | 3,755 | 23,156 |
| Due to the City of Barre | - | 333,103 | 333,103 |
| Bonds, notes & leases payable due within one year | 265,334 | 66,021 | 331,355 |
| Rock of Ages settlement due within one year | 50,000 | - | 50,000 |
| Compensated absences payable due after one year | 154,853 | 60,522 | 215,375 |
| Bonds, notes & leases payable due after one year | 767,282 | 934,365 | 1,701,647 |
| Net pension liability | 62,653 | 32,005 | 94,658 |
| Grant Funds payback liability | 492,000 | - | 492,000 |
| Total liabilities | 2,087,160 | 1,596,230 | 3,683,390 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Prepaid property taxes | 3,862 | - | 3,862 |
| Deferred inflows of resources related to the Town's participation in VMERS | 207,633 | 106,059 | 313,692 |
| Total deferred inflows of resources | 211,495 | 106,059 | 317,554 |
| <u>NET POSITION</u> | | | |
| Net investment in capital assets | 11,923,726 | 3,427,231 | 15,350,957 |
| Restricted - Cemetery Trust - non-expendable | 237,682 | - | 237,682 |
| Restricted - expendable: | | | |
| Community development | 954,976 | - | 954,976 |
| Bike path | 318,107 | - | 318,107 |
| Sewer improvements | - | 556,023 | 556,023 |
| Other | 62,745 | - | 62,745 |
| Unrestricted (deficit) | 2,978,815 | (299,865) | 2,678,950 |
| Total net position | \$ 16,476,051 | \$ 3,683,389 | \$ 20,159,440 |

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

TOWN OF BARRE, VERMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

| | Program Revenues | | | | Net (Expenses) Revenue and Changes in Net Position | | |
|--|---------------------|-------------------------|--|--|---|-----------------------------|----------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Functions/Programs: | | | | | | | |
| Primary government: | | | | | | | |
| Governmental activities: | | | | | | | |
| General government | \$ 1,277,865 | \$ 90,657 | \$ 155,665 | \$ - | \$ (1,031,543) | \$ - | \$ (1,031,543) |
| Public safety | 1,301,049 | 43,035 | 7,452 | - | (1,250,562) | - | (1,250,562) |
| Highway and streets | 2,540,241 | 23,195 | - | 441,053 | (2,075,993) | - | (2,075,993) |
| Sanitation | 46,787 | 3,987 | - | - | (42,800) | - | (42,800) |
| Health and welfare | 131,984 | 31,183 | - | - | (100,801) | - | (100,801) |
| Culture and recreation | 416,156 | 14,983 | - | - | (401,173) | - | (401,173) |
| Interest on debt | 25,228 | - | - | - | (25,228) | - | (25,228) |
| Total governmental activities | <u>5,739,310</u> | <u>207,040</u> | <u>163,117</u> | <u>441,053</u> | <u>(4,928,100)</u> | <u>-</u> | <u>(4,928,100)</u> |
| Business-type activities: | | | | | | | |
| Sewer | 864,573 | 1,042,616 | - | - | - | 178,043 | 178,043 |
| Water | 391,822 | 345,259 | - | - | - | (46,563) | (46,563) |
| Ambulance | 1,795,015 | 1,448,635 | - | - | - | (346,380) | (346,380) |
| Total business-type activities | <u>3,051,410</u> | <u>2,836,510</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(214,900)</u> | <u>(214,900)</u> |
| Total primary government | <u>\$ 8,790,720</u> | <u>\$ 3,043,550</u> | <u>\$ 163,117</u> | <u>\$ 441,053</u> | <u>(4,928,100)</u> | <u>(214,900)</u> | <u>(5,143,000)</u> |
| General Revenues: | | | | | | | |
| Property taxes | | | | | 5,460,846 | - | 5,460,846 |
| Penalties and interest | | | | | 102,412 | - | 102,412 |
| Earnings on investments | | | | | 14,652 | 12 | 14,664 |
| Other | | | | | 101,482 | - | 101,482 |
| Transfers: | | | | | <u>(402,697)</u> | <u>402,697</u> | <u>-</u> |
| Total general revenues and transfers | | | | | <u>5,276,695</u> | <u>402,709</u> | <u>5,679,404</u> |
| Change in Net Position | | | | | 348,595 | 187,809 | 536,404 |
| Net Position - July 1, 2014, As Restated | | | | | <u>16,127,456</u> | <u>3,495,580</u> | <u>19,623,036</u> |
| Net Position - June 30, 2015 | | | | | <u>\$ 16,476,051</u> | <u>\$ 3,683,389</u> | <u>\$ 20,159,440</u> |

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

TOWN OF BARRE, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

| | General Fund | Community Development Fund | Construction Fund | Non-Major Governmental Funds | Totals |
|---|---------------------|----------------------------------|----------------------|------------------------------------|---------------------|
| ASSETS | | | | | |
| Cash | \$ 2,316,712 | \$ 618,637 | \$ 489,018 | \$ 364,564 | \$ 3,788,931 |
| Investments | - | - | - | 237,682 | 237,682 |
| Accounts receivable, net | 22,921 | - | - | 9,468 | 32,389 |
| Delinquent taxes receivable, net | 368,624 | - | - | - | 368,624 |
| Interest and penalties receivable, net | 129,050 | - | - | - | 129,050 |
| Prepaid expenses | 4,238 | - | - | - | 4,238 |
| Notes receivable | 60,000 | 773,107 | - | - | 833,107 |
| Due from other funds | 831,555 | - | - | 116,613 | 948,168 |
| Land held for sale - Wilson Park | - | 426,777 | - | - | 426,777 |
| Total assets | <u>\$ 3,733,100</u> | <u>\$ 1,818,521</u> | <u>\$ 489,018</u> | <u>\$ 728,327</u> | <u>\$ 6,768,966</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ 136,309 | \$ - | \$ - | \$ - | \$ 136,309 |
| Accrued wages | 49,755 | - | - | 2,512 | 52,267 |
| Payroll withholding and benefits | 80,909 | - | - | - | 80,909 |
| Due to other funds | - | 371,545 | 170,911 | - | 542,456 |
| Total liabilities | <u>266,973</u> | <u>371,545</u> | <u>170,911</u> | <u>2,512</u> | <u>811,941</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Prepaid property taxes | 3,862 | - | - | - | 3,862 |
| Unavailable property taxes, penalties and interest | 443,720 | - | - | - | 443,720 |
| Unavailable receivables | 60,000 | 773,107 | - | 9,468 | 842,575 |
| Total deferred inflows of resources | <u>507,582</u> | <u>773,107</u> | <u>-</u> | <u>9,468</u> | <u>1,290,157</u> |
| FUND BALANCES | | | | | |
| Nonspendable | 412,987 | 426,777 | - | 237,682 | 1,077,446 |
| Restricted | 26,664 | 397,841 | 318,107 | 36,081 | 778,693 |
| Assigned | 203,000 | - | - | 442,584 | 645,584 |
| Unassigned | 2,315,894 | (150,749) | - | - | 2,165,145 |
| Total fund balances | <u>2,958,545</u> | <u>673,869</u> | <u>318,107</u> | <u>716,347</u> | <u>4,666,868</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 3,733,100</u> | <u>\$ 1,818,521</u> | <u>\$ 489,018</u> | <u>\$ 728,327</u> | <u>\$ 6,768,966</u> |

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

TOWN OF BARRE, VERMONT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

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

| | | |
|---|--------------------|-----------------------------|
| Fund balance - total governmental funds (Exhibit C) | | \$ 4,666,868 |
| Capital assets used in governmental activities are not financial resources and, financial resources and, therefore, are not reported as assets in governmental funds. | | |
| Cost of assets | 16,352,483 | |
| Accumulated depreciation | <u>(6,361,812)</u> | 9,990,671 |
| Deferred outflows/inflows of resources are recognized on the accrual basis in the statement of net position, not the modified accrual basis. Deferred outflows/inflows of resources not available to pay current period expenditures consisted of the following: | | |
| Unavailable property taxes, penalties and interest | 443,720 | |
| Cemetery receivables | 9,468 | |
| General Fund and Community Development notes receivable | <u>833,107</u> | 1,286,295 |
| 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. | | 1,495,290 |
| Long-term liabilities, including bonds and leases payable are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of the following: | | |
| Accrued interest payable | (19,401) | |
| Bonds, notes & leases payable | (160,000) | |
| Grant Funds Refundable to Vermont Agency of Commerce and Community Development | (492,000) | |
| Compensated absences payable | (141,727) | |
| Net pension liability | <u>(56,150)</u> | (869,278) |
| Deferred outflows and inflows of resources related to the Town's participation in VMERS are applicable to future periods and, therefore, are not reported in the funds. | | <u>(93,795)</u> |
| Net position - governmental activities (Exhibit A) | | <u><u>\$ 16,476,051</u></u> |

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, 2015

| | General Fund | Community Development Fund | Construction Fund | Non-Major Governmental Funds | Totals |
|--|---------------------|----------------------------------|----------------------|------------------------------------|---------------------|
| REVENUES: | | | | | |
| Property taxes | \$ 5,466,945 | \$ - | \$ - | \$ 20,730 | \$ 5,487,675 |
| Property taxes - interest and penalties | 102,412 | - | - | - | 102,412 |
| Intergovernmental | 524,366 | - | - | 30,817 | 555,183 |
| Charges for services | 159,752 | 2,575 | - | 28,608 | 190,935 |
| Licenses and permits | 16,105 | - | - | - | 16,105 |
| Loan receipts/repayments | - | 30,249 | - | - | 30,249 |
| Investment income | 2,684 | 521 | 98 | 11,349 | 14,652 |
| Miscellaneous | 42,436 | - | 8,000 | - | 50,436 |
| Total revenues | <u>6,314,700</u> | <u>33,345</u> | <u>8,098</u> | <u>91,504</u> | <u>6,447,647</u> |
| EXPENDITURES: | | | | | |
| General government | 1,240,201 | - | - | - | 1,240,201 |
| Public safety | 1,141,451 | - | - | - | 1,141,451 |
| Highway and streets | 2,049,422 | - | 3,288 | - | 2,052,710 |
| Sanitation | 46,829 | - | - | - | 46,829 |
| Health and welfare | 73,231 | - | - | - | 73,231 |
| Culture, recreation, development & transportation | 316,148 | 40,092 | - | - | 356,240 |
| County tax | 52,132 | - | - | - | 52,132 |
| Cemetery | - | - | - | 58,844 | 58,844 |
| Rock of Ages - tax grievance payment | 50,000 | - | - | - | 50,000 |
| Capital outlay: | | | | | |
| Highways and streets | 658,691 | - | - | - | 658,691 |
| Culture and recreation | 45,595 | - | 7,337 | - | 52,932 |
| Debt service: | | | | | |
| Principal | 35,000 | - | - | - | 35,000 |
| Interest | 5,847 | - | - | - | 5,847 |
| Total expenditures | <u>5,714,547</u> | <u>40,092</u> | <u>10,625</u> | <u>58,844</u> | <u>5,824,108</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>600,153</u> | <u>(6,747)</u> | <u>(2,527)</u> | <u>32,660</u> | <u>623,539</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | - | - | 11,226 | 11,226 |
| Transfers out | (402,697) | - | - | (11,226) | (413,923) |
| Total other financing sources (uses) | <u>(402,697)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(402,697)</u> |
| Net Change in Fund Balances | 197,456 | (6,747) | (2,527) | 32,660 | 220,842 |
| Fund Balances - July 1, 2014 | <u>2,761,089</u> | <u>680,616</u> | <u>320,634</u> | <u>683,687</u> | <u>4,446,026</u> |
| Fund Balances - June 30, 2015 | <u>\$ 2,958,545</u> | <u>\$ 673,869</u> | <u>\$ 318,107</u> | <u>\$ 716,347</u> | <u>\$ 4,666,868</u> |

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, 2015

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

| | |
|---|-------------------|
| Net change in fund balances - total governmental funds (Exhibit E) | \$ 220,842 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$711,623) is allocated over their estimated useful lives and reported as depreciation expense (\$850,378). This is the amount by which depreciation exceeded capital outlays in the current period. | (138,755) |
| Capital grant - State of Vermont recognized in Governmental Activities | 48,987 |
| Property taxes receivable, notes receivable and other receivables are recognized on the accrual basis in the statement of net position, not the modified accrual basis. The decrease in this unearned and unavailable revenue for the year is: | (45,229) |
| Repayment of bond principal and the Rock of Ages settlement is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net position | 85,000 |
| In the statement of activities, accrued compensated absences and interest expense are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, compensated absences and interest expense incurred was (greater)/less than the amounts paid. | (1,438) |
| Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) and other changes in net position of the internal service funds is reported with the governmental activities. | 168,325 |
| Governmental funds report employer pension contributions as expenditures (\$92,287). However, in the statement of activities, the cost of pension benefits earned net of employee contributions (\$81,424) is reported as pension expense. This amount is the net effect of the differences in the treatment of pension expense. | 10,863 |
| Change in net position of governmental activities (Exhibit B) | <u>\$ 348,595</u> |

To eliminate the doubling up of internal service charges between the governmental activities and the business-type activities on the statement of activities the charges for services and highways and streets expenses were decreased by \$1,414,396.

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

TOWN OF BARRE, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

| | General Budget | | | Highway Budget | | | Total General Fund | | |
|---|---------------------------------|--------------|--|---------------------------------|--------------|--|---------------------------------|--------------|--|
| | Original and Final Budget | Actual | Variance Favorable (Unfavorable) | Original and Final Budget | Actual | Variance Favorable (Unfavorable) | Original and Final Budget | Actual | Variance Favorable (Unfavorable) |
| REVENUES: | | | | | | | | | |
| Property taxes | \$ 2,982,006 | \$ 3,062,200 | \$ 80,194 | \$ 2,404,745 | \$ 2,404,745 | \$ - | \$ 5,386,751 | \$ 5,466,945 | \$ 80,194 |
| Property taxes - interest and penalties | 77,000 | 102,412 | 25,412 | - | - | - | 77,000 | 102,412 | 25,412 |
| Intergovernmental | 104,455 | 132,300 | 27,845 | 200,855 | 392,066 | 191,211 | 305,310 | 524,366 | 219,056 |
| Charges for services | 167,405 | 136,557 | (30,848) | 3,300 | 23,195 | 19,895 | 170,705 | 159,752 | (10,953) |
| Licenses and permits | 16,655 | 16,105 | (550) | - | - | - | 16,655 | 16,105 | (550) |
| Investment income | - | 2,684 | 2,684 | - | - | - | - | 2,684 | 2,684 |
| Miscellaneous (building income, misc.) | 22,745 | 42,436 | 19,691 | - | - | - | 22,745 | 42,436 | 19,691 |
| Total revenues | 3,370,266 | 3,494,694 | 124,428 | 2,608,900 | 2,820,006 | 211,106 | 5,979,166 | 6,314,700 | 335,534 |
| EXPENDITURES: | | | | | | | | | |
| General government | 735,000 | 788,599 | (53,599) | - | - | - | 735,000 | 788,599 | (53,599) |
| Public safety | 1,116,815 | 1,141,451 | (24,636) | - | - | - | 1,116,815 | 1,141,451 | (24,636) |
| Highways and streets | - | - | - | 2,608,900 | 2,696,170 | (87,270) | 2,608,900 | 2,696,170 | (87,270) |
| Sanitation | 45,595 | 46,829 | (1,234) | - | - | - | 45,595 | 46,829 | (1,234) |
| Health and welfare | 99,970 | 73,231 | 26,739 | - | - | - | 99,970 | 73,231 | 26,739 |
| Culture, recreation, development & transportation | 298,415 | 373,686 | (75,271) | - | - | - | 298,415 | 373,686 | (75,271) |
| Insurances and benefits | 529,210 | 440,582 | 88,628 | - | - | - | 529,210 | 440,582 | 88,628 |
| County tax | 53,930 | 52,132 | 1,798 | - | - | - | 53,930 | 52,132 | 1,798 |
| Miscellaneous (equip. rent, training, misc.) | 47,761 | 11,020 | 36,741 | - | - | - | 47,761 | 11,020 | 36,741 |
| Rock of Ages tax grievance payment | - | 50,000 | (50,000) | - | - | - | - | 50,000 | (50,000) |
| Debt service: | | | | | | | | | |
| Principal | 35,000 | 35,000 | - | - | - | - | 35,000 | 35,000 | - |
| Interest | 5,845 | 5,847 | (2) | - | - | - | 5,845 | 5,847 | (2) |
| Total expenditures | 2,967,541 | 3,018,377 | (50,836) | 2,608,900 | 2,696,170 | (87,270) | 5,576,441 | 5,714,547 | (138,106) |
| Excess of Revenues Over Expenditures | 402,725 | 476,317 | 73,592 | - | 123,836 | 123,836 | 402,725 | 600,153 | 197,428 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Transfers to other funds | (402,725) | (402,697) | 28 | - | - | - | (402,725) | (402,697) | 28 |
| Total other financing sources (uses) | (402,725) | (402,697) | 28 | - | - | - | (402,725) | (402,697) | 28 |
| Net Change in Fund Balance | \$ 0 | \$ 73,620 | \$ 73,620 | \$ 0 | \$ 123,836 | \$ 123,836 | \$ 0 | 197,456 | \$ 197,456 |
| Fund Balance - July 1, 2014 | | | | | | | | 2,761,089 | |
| Fund Balance - June 30, 2015 | | | | | | | | \$ 2,958,545 | |

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

TOWN OF BARRE, VERMONT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

| | Enterprise Funds | | | | Internal Service Funds |
|--|------------------|-------------|----------------|--------------|------------------------|
| | Sewer Fund | Water Fund | Ambulance Fund | Total | |
| ASSETS | | | | | |
| Current assets: | | | | | |
| Accounts receivable, net | \$ 142,605 | \$ 98,130 | \$ 129,781 | \$ 370,516 | \$ 25,339 |
| Interest and penalties receivable, net | 51,023 | 18,042 | - | 69,065 | - |
| Due from other funds | 959,366 | - | - | 959,366 | 234,248 |
| Prepaid expenses | 7 | 5,001 | 44 | 5,052 | 12 |
| Total current assets | 1,153,001 | 121,173 | 129,825 | 1,403,999 | 259,599 |
| Noncurrent assets: | | | | | |
| Capital assets | | | | | |
| Buildings and building improvements | 170,153 | - | 234,328 | 404,481 | 1,069,084 |
| Equipment and vehicles | 52,367 | 1,857 | 221,045 | 275,269 | 5,566,847 |
| Sewer/water lines | 6,439,589 | 2,653,116 | - | 9,092,705 | - |
| Capacity rights | 333,103 | - | - | 333,103 | - |
| Accumulated depreciation | (4,003,081) | (1,079,372) | (262,385) | (5,344,838) | (3,670,260) |
| Total noncurrent assets | 2,992,131 | 1,575,601 | 192,988 | 4,760,720 | 2,965,671 |
| Total assets | 4,145,132 | 1,696,774 | 322,813 | 6,164,719 | 3,225,270 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred outflows related to the Town's participation in VMERS | - | - | 52,602 | 52,602 | 10,688 |
| Total deferred outflows of resources | - | - | 52,602 | 52,602 | 10,688 |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 125,214 | - | - | 125,214 | - |
| Accrued wages | 1,505 | - | 39,740 | 41,245 | 6,152 |
| Due to other funds | - | 311,759 | 519,884 | 831,643 | 770,720 |
| Accrued interest payable | - | 3,755 | - | 3,755 | - |
| Due to the City of Barre | 333,103 | - | - | 333,103 | - |
| Bonds, notes & leases payable - current portion | 36,250 | 29,771 | - | 66,021 | 205,884 |
| Total current liabilities | 496,072 | 345,285 | 559,624 | 1,400,981 | 982,756 |
| Noncurrent liabilities: | | | | | |
| Compensated absences payable | 8,536 | - | 51,986 | 60,522 | 13,126 |
| Net pension liability | - | - | 32,005 | 32,005 | 6,503 |
| Bonds, notes & leases payable - noncurrent portion | 253,750 | 680,615 | - | 934,365 | 716,732 |
| Total noncurrent liabilities | 262,286 | 680,615 | 83,991 | 1,026,892 | 736,361 |
| Total liabilities | 758,358 | 1,025,900 | 643,615 | 2,427,873 | 1,719,117 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred inflows related to the Town's participation in VMERS | - | - | 106,059 | 106,059 | 21,551 |
| Total deferred inflows of resources | - | - | 106,059 | 106,059 | 21,551 |
| NET POSITION | | | | | |
| Net investment in capital assets | 2,369,028 | 865,215 | 192,988 | 3,427,231 | 2,043,055 |
| Restricted for sewer improvements - expendable | 556,023 | - | - | 556,023 | - |
| Unrestricted (deficit) | 461,723 | (194,341) | (567,247) | (299,865) | (547,765) |
| Total net position | \$ 3,386,774 | \$ 670,874 | \$ (374,259) | \$ 3,683,389 | \$ 1,495,290 |

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, 2015

| | Enterprise Funds | | | | Internal Service Funds |
|--|------------------|---------------|-------------------|--------------|------------------------------|
| | Sewer Fund | Water Fund | Ambulance Fund | Total | |
| OPERATING REVENUES: | | | | | |
| Charges for services | \$ 1,013,407 | \$ 329,950 | \$ 1,448,635 | \$ 2,791,992 | \$ 1,414,396 |
| Interest and penalties | 29,209 | 15,309 | - | 44,518 | - |
| Other | - | - | - | - | 51,046 |
| Total operating revenues | 1,042,616 | 345,259 | 1,448,635 | 2,836,510 | 1,465,442 |
| OPERATING EXPENSES: | | | | | |
| Salaries and benefits | 119,692 | 74,046 | 1,367,628 | 1,561,366 | 258,667 |
| Supplies | 4,288 | 142,702 | 34,575 | 181,565 | 437,240 |
| Outside services | 552,018 | 42,599 | 145,500 | 740,117 | 65,857 |
| Insurance | 2,398 | 3,917 | 8,196 | 14,511 | 40,181 |
| Equipment and tools | 30,262 | 18,201 | 177,384 | 225,847 | 25,200 |
| Buildings and grounds | 13,009 | 33,526 | 30,052 | 76,587 | 62,558 |
| Training | 145 | 692 | 3,575 | 4,412 | - |
| Depreciation | 142,761 | 58,368 | 27,287 | 228,416 | 388,033 |
| Total operating expenses | 864,573 | 374,051 | 1,794,197 | 3,032,821 | 1,277,736 |
| INCOME (LOSS) FROM OPERATIONS | 178,043 | (28,792) | (345,562) | (196,311) | 187,706 |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Investment income | - | - | 12 | 12 | - |
| Interest expense | - | (17,771) | (818) | (18,589) | (19,381) |
| Total nonoperating revenues (expenses) | - | (17,771) | (806) | (18,577) | (19,381) |
| NET INCOME (LOSS) BEFORE TRANSFERS | 178,043 | (46,563) | (346,368) | (214,888) | 168,325 |
| TRANSFERS: | | | | | |
| Transfers in | - | - | 402,697 | 402,697 | - |
| Total transfers | - | - | 402,697 | 402,697 | - |
| Change in Net Position | 178,043 | (46,563) | 56,329 | 187,809 | 168,325 |
| Net Position - July 1, 2014, As Restated | 3,208,731 | 717,437 | (430,588) | 3,495,580 | 1,326,965 |
| Net Position - June 30, 2015 | \$ 3,386,774 | \$ 670,874 | \$ (374,259) | \$ 3,683,389 | \$ 1,495,290 |

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, 2015

| | Enterprise Funds | | | | Internal Service Funds |
|--|------------------|---------------|-------------------|--------------|------------------------------|
| | Sewer Fund | Water Fund | Ambulance Fund | Total | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | | |
| Cash received from customers | \$ 1,029,149 | \$ 337,318 | \$ 1,494,608 | \$ 2,861,075 | \$ 1,436,832 |
| Other operating cash receipts | - | - | - | - | 51,046 |
| Cash payments to employees for services | (118,265) | (75,432) | (1,356,909) | (1,550,606) | (263,303) |
| Cash payments to suppliers for goods and services | (604,584) | (238,769) | (380,589) | (1,223,942) | (619,685) |
| Net cash provided (used) by operating activities | 306,300 | 23,117 | (242,890) | 86,527 | 604,890 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | | |
| Transfers from other funds | - | - | 402,697 | 402,697 | - |
| Interest expense on interfund balances | - | - | (818) | (818) | - |
| (Increase) decrease in due from other funds | (270,050) | - | - | (270,050) | (45,988) |
| Increase (decrease) in due to other funds | - | 30,011 | (159,001) | (128,990) | (74,714) |
| Net cash provided (used) by noncapital financing activities | (270,050) | 30,011 | 242,878 | 2,839 | (120,702) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | | |
| Acquisition of capital assets | - | - | - | - | (218,176) |
| Principal paid on bonds, notes & leases | (36,250) | (29,025) | - | (65,275) | (246,631) |
| Interest paid on bonds, notes & leases | - | (24,103) | - | (24,103) | (19,381) |
| Net cash provided (used) by capital and related financing activities | (36,250) | (53,128) | - | (89,378) | (484,188) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | | |
| Interest income | - | - | 12 | 12 | - |
| Net cash provided by investing activities | - | - | 12 | 12 | - |
| Net Increase in Cash | - | - | - | - | - |
| Cash - July 1, 2014 | - | - | - | - | - |
| Cash - June 30, 2015 | \$ - | \$ - | \$ - | \$ - | \$ - |
| ADJUSTMENTS TO RECONCILE INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | | | | | |
| Income (loss) from operations | \$ 178,043 | \$ (28,792) | \$ (345,562) | \$ (196,311) | \$ 187,706 |
| Depreciation | 142,761 | 58,368 | 27,287 | 228,416 | 388,033 |
| (Increase) decrease in accounts receivable | (6,703) | (10,246) | 45,973 | 29,024 | 22,436 |
| (Increase) decrease in other receivables | (6,764) | 2,305 | - | (4,459) | - |
| (Increase) decrease in prepaid expenses | 1,572 | 2,868 | 18,693 | 23,133 | 11,351 |
| (Increase) decrease in deferred outflows of resources related to the Town's participation in VMERS | - | - | (7,369) | (7,369) | (1,497) |
| Increase (decrease) in accounts payable | (4,036) | - | - | (4,036) | - |
| Increase (decrease) in accrued wages | (442) | (1,386) | 14,377 | 12,549 | 1,020 |
| Increase (decrease) in compensated absences payable | 1,869 | - | 2,535 | 4,404 | (4,398) |
| Increase (decrease) in net pension liability | - | - | (104,883) | (104,883) | (21,312) |
| Increase (decrease) in deferred inflows of resources related to the Town's participation in VMERS | - | - | 106,059 | 106,059 | 21,551 |
| Net cash provided (used) by operating activities | \$ 306,300 | \$ 23,117 | \$ (242,890) | \$ 86,527 | \$ 604,890 |

NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:

The Internal Service Funds disposed of capital assets with a cost and accumulated depreciation of \$117,114.

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

TOWN OF BARRE, VERMONT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2015

| | Agency Fund |
|--|------------------|
| | <hr/> |
| ASSETS | |
| Cash | \$ 14,062 |
| Due from other funds | <hr/> 3,037 |
| | <hr/> |
| Total assets | 17,099 |
| | <hr/> |
| LIABILITIES | |
| Held for Barre Beautiful | 1,564 |
| Held for Barre Heritage Festival | 1,264 |
| Held for CVYMCA | 2,752 |
| Held for employees - Sec. 125 plan funds | 6,526 |
| Held for Flags for Veterans | <hr/> 4,993 |
| | <hr/> |
| Total liabilities | 17,099 |
| | <hr/> |
| NET POSITION | |
| Total net position | <hr/> \$ - <hr/> |

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

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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 below.

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, 2015

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 long-term assets and receivables as well as long-term debt and obligations. 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 functions and business-type activities (water, sewer, etc.). The functions are also supported by general government revenue (property taxes, certain intergovernmental revenues, and charges, etc.). 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 governmental function (public safety, highways and streets, etc.) or a business-type 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 governmental function or business-type 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, 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, 2015

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 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 are 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.

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 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, 2015

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 are generally reported on their balance sheets. Their reported fund balances (net current assets – are considered a measure of available spendable resources and, are segregated into nonspendable, restricted, committed, assigned and unassigned. 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 assets. 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 and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the 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, 2015

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.

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. 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 fair 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.

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.

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Excess of Appropriations Over Expenditures

For the year ended June 30, 2015, the Town expended \$138,106 more than appropriated in the General Fund. These over-expenditures were funded by excess revenues.

Investments

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”.

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. The Town has one type which arises under the accrual basis of accounting that qualifies for reporting in this category. The governmental activities, the business-type activities and the proprietary funds report deferred outflows of resources from one source; deferred outflows related to the Town’s participation in the Vermont Employees Retirement System. 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, 2015

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. The Town has three types of items which arise under the modified accrual basis of accounting and two types which arise under the accrual basis of accounting that qualify for reporting in this category. The statement of net position reports deferred inflows of resources from two sources; prepaid property taxes and deferred inflows related to the Town’s participation in the Vermont Employees Retirement System. The governmental funds balance sheet reports deferred inflows of resources from three sources; prepaid property taxes, unavailable property taxes, penalties and interest and unavailable receivables. The business-type activities and proprietary funds report deferred inflows of resources from one source; deferred inflows related to the Town’s participation in the Vermont Employees Retirement System. 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.

New Pronouncement – Pension Plans

Effective June 30, 2015, the Town implemented GASB Statement No. 68, “Financial Reporting for Pension Plans” – an amendment of GASB Statement No. 27. GASB Statement No. 68 requires the reporting of the proportionate share of the net pension liability related to the Town’s participation in the Vermont Municipal Employees’ Retirement System (VMERS) as well as additional disclosures and required supplemental information.

As a result of adopting this new accounting principle, beginning net position of the Governmental Activities was reduced by \$179,432 resulting from the proportionate share of the net pension liability of \$267,986 at June 30, 2014 net of the deferred outflows of resources of \$88,554 of required contributions made during fiscal year 2014. The Governmental Activities net position has been restated from \$16,306,888 to \$16,127,456.

The beginning net position of the Ambulance Fund and Business-type Activities was reduced by \$91,655 resulting from the proportionate share of the net pension liability of \$136,888 at June 30, 2014 net of the deferred outflows of resources of \$45,233 of required contributions made during fiscal year 2014. The Ambulance Fund and Business-type Activities net position has been restated from \$(338,933) to \$(430,588) and \$3,587,235 to \$3,495,580, respectively.

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The beginning net position of the Equipment Internal Service Fund was reduced by \$18,624 resulting from the proportionate share of the net pension liability of \$27,815 at June 30, 2014 net of the deferred outflows of resources of \$9,191 of required contributions made during fiscal year 2014. The Internal Service Funds net position has been restated from \$1,345,589 to \$1,326,965.

NOTE 2 – CASH AND INVESTMENTS

A. Cash and Investments

The Town's cash and investments as of June 30, 2015 are as follows:

Cash:

| | |
|--------------------------------------|------------------|
| Cash on Hand | \$ 295 |
| Deposits with Financial Institutions | <u>3,802,698</u> |
| Total Cash | 3,802,993 |

Investments:

| | |
|----------------------------|--------------------|
| Municipal Bonds | <u>237,682</u> |
| Total Cash and Investments | <u>\$4,040,675</u> |

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have any policy to limit the exposure to interest rate risk.

Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations reflects the distribution of the Town's investments by maturity. The municipal bonds mature between 2034 and 2039.

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, 2015. The ratings are provided by Standard & Poor's. The Town does not have any policy to limit the exposure to credit risk.

| <u>Investment Type</u> | <u>A-</u> | <u>AA-</u> | <u>AA+</u> | <u>Unrated</u> | <u>Total</u> |
|------------------------|------------------|------------------|------------------|------------------|-------------------|
| Municipal Bonds | \$ 53,976 | \$ 33,038 | \$ 93,742 | \$ 56,926 | \$ 237,682 |
| | <u>\$ 53,976</u> | <u>\$ 33,038</u> | <u>\$ 93,742</u> | <u>\$ 56,926</u> | <u>\$ 237,682</u> |

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 – CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk

The Town does not have any limitations on the amount that can be invested in any one issuer.

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 are held in its name and are, therefore, not subject to custodial credit risk. 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 | \$ 1,361,867 | \$ 1,362,628 |
| Uninsured, Collateralized by U.S. Government Securities Held by Bank's Trust Department with a Security Interest Granted to the Town | 2,292,990 | 2,377,096 |
| Uninsured, Uncollateralized | <u>147,841</u> | <u>147,841</u> |
| Total Deposits | <u>\$ 3,802,698</u> | <u>\$ 3,887,565</u> |

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

NOTE 3 - RECEIVABLES

Receivables and the allowance for uncollectible accounts as of June 30, 2015 are as follows:

| | <u>Receivables</u> | <u>Allowance for Uncollectible Accounts</u> | <u>Net Receivables</u> |
|--|--------------------|---|----------------------------|
| General Fund: | | | |
| Delinquent taxes receivable | \$ 393,624 | \$ (25,000) | \$ 368,624 |
| Penalties and interest on delinquent taxes | 137,050 | (8,000) | 129,050 |
| Miscellaneous receivables | <u>36,921</u> | <u>(14,000)</u> | <u>22,921</u> |
| | <u>\$ 567,595</u> | <u>\$ (47,000)</u> | <u>\$ 520,595</u> |
| Cemetery Fund: | | | |
| Accounts Receivable | <u>\$ 9,468</u> | <u>\$ 0</u> | <u>\$ 9,468</u> |
| Internal Service Fund | | | |
| Accounts Receivable | <u>\$ 25,339</u> | <u>\$ 0</u> | <u>\$ 25,339</u> |

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3 – RECEIVABLES (Continued)

| | <u>Receivables</u> | <u>Allowance for Uncollectible Accounts</u> | <u>Net Receivables</u> |
|-----------------------------------|--------------------|---|----------------------------|
| Enterprise Funds | | | |
| Sewer Fund | | | |
| Accounts receivable | \$ 142,605 | \$ 0 | \$ 142,605 |
| Penalties and interest receivable | 51,023 | 0 | 51,023 |
| Water Fund | | | |
| Accounts receivable | 98,130 | 0 | 98,130 |
| Penalties and interest receivable | 18,042 | 0 | 18,042 |
| Ambulance | | | |
| Accounts receivable | 364,670 | (234,889) | 129,781 |
| Net Receivables | <u>\$ 674,470</u> | <u>\$ (234,889)</u> | <u>\$ 439,581</u> |

NOTE 4 – NOTES RECEIVABLE

Notes receivable consist of the following at June 30, 2015:

General Fund:

| | |
|---|------------------|
| Due from Barre Area Development, Inc. annual principal payments of \$15,000 starting 12/01 to 12/10, then \$10,000, due 12/1/20. Interest at 4.344% to 5.644% with semiannual interest payments. | \$ 60,000 |
| Due within one year | (10,000) |
| Due after one year | <u>\$ 50,000</u> |

Community Development Fund:

| | |
|---|-------------------|
| Vermont Housing Rehabilitation Program and Vermont Community Improvement Grant, Interest at 1 to 4%. | \$ 59,213 |
| Due from Vermont Foodbank, 0% interest, annual payments of \$8,333 starting January 2006, due January 15, 2017 | 10,000 |
| Due from Central Vermont Community Land Trust (CVCLT), 3% interest, monthly payments of \$86, due June 1, 2016 | 1,153 |
| Due from SB Electronics, Inc. (SBE), 3% interest only payments until December 31, 2016, then quarterly payments of \$31,291, including interest, due January 1, 2020 | <u>702,741</u> |
| Total notes receivables at June 30, 2013 | 773,107 |
| Due within one year | (9,324) |
| Due after one year | <u>\$ 763,783</u> |

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 4 – NOTES RECEIVABLE (Continued)

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

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

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, 2015 were:

| | <u>Due from Other Funds</u> | <u>Due to Other Funds</u> |
|--------------------------------|---------------------------------|-------------------------------|
| Governmental Funds: | | |
| General Fund | \$ 831,555 | \$ 0 |
| Community Development Fund | <u>0</u> | <u>371,545</u> |
| Construction Fund | <u>0</u> | <u>170,911</u> |
| Other Governmental Funds | | |
| Cemetery Funds | 34,558 | 0 |
| Recreation Fund | 2,052 | 0 |
| Reappraisal Fund | 60,041 | 0 |
| Cemetery Trust Fund | <u>19,962</u> | <u>0</u> |
| Total Other Governmental Funds | <u>116,613</u> | <u>0</u> |
| Total Governmental Funds | <u>948,168</u> | <u>542,456</u> |
| Proprietary Funds; | | |
| Sewer Fund | 959,366 | 0 |
| Water Fund | 0 | 311,759 |
| Ambulance Fund | <u>0</u> | <u>519,884</u> |
| Total Proprietary Funds | <u>959,366</u> | <u>831,643</u> |
| Internal Service Funds | | |
| Equipment Fund | 0 | 770,720 |
| Building Maintenance Fund | <u>234,248</u> | <u>0</u> |
| Agency Funds | | |
| Agency Fund | <u>3,037</u> | <u>0</u> |
| Total Internal Service Funds | <u>237,285</u> | <u>770,720</u> |
| Total | <u>\$ 2,144,819</u> | <u>\$ 2,144,819</u> |

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

| | Balance June 30, 2014 | Additions | Disposals | Depreciation | Balance June 30, 2015 |
|---|--------------------------|-------------------|------------------|-----------------------|--------------------------|
| Governmental Activities | | | | | |
| Capital Assets, Not Being Depreciated: | | | | | |
| Land | \$ 1,948,538 | \$ 0 | \$ 0 | \$ 0 | \$ 1,948,538 |
| Construction in Process | 134,885 | 48,987 | 0 | 0 | 183,872 |
| Total Capital Assets, Not Being Depreciated | <u>2,083,423</u> | <u>48,987</u> | <u>0</u> | <u>0</u> | <u>2,132,410</u> |
| Capital Assets, Being Depreciated: | | | | | |
| Buildings and Building Improvements | 2,101,524 | 0 | 0 | 0 | 2,101,524 |
| Equipment and vehicles | 6,428,946 | 263,771 | (117,114) | 0 | 6,575,603 |
| Infrastructure | 11,512,849 | 666,028 | 0 | 0 | 12,178,877 |
| Total capital assets being depreciated | <u>20,043,319</u> | <u>929,799</u> | <u>(117,114)</u> | <u>0</u> | <u>20,856,004</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings and Building Improvements | (704,111) | 0 | 0 | (44,667) | (748,778) |
| Equipment and vehicles | (4,040,825) | 0 | 117,114 | (393,002) | (4,316,713) |
| Infrastructure | (4,165,872) | 0 | 0 | (800,709) | (4,966,581) |
| Total accumulated depreciation | <u>(8,910,808)</u> | <u>0</u> | <u>117,114</u> | <u>(1,238,378)</u> | <u>(10,032,072)</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 13,215,934</u> | <u>\$ 978,786</u> | <u>\$ 0</u> | <u>\$ (1,238,378)</u> | <u>\$ 12,956,342</u> |
| Business-Type Activities | | | | | |
| Capital Assets, Being Depreciated: | | | | | |
| Buildings and Building Improvements | \$ 404,481 | \$ 0 | \$ 0 | \$ 0 | \$ 404,481 |
| Utility Systems | 9,092,705 | 0 | 0 | 0 | 9,092,705 |
| Sewer Capacity Rights | 333,103 | 0 | 0 | 0 | 333,103 |
| Equipment and vehicles | 275,269 | 0 | 0 | 0 | 275,269 |
| Total Capital Assets, Being Depreciated | <u>10,105,558</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>10,105,558</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings and Building Improvements | (275,968) | 0 | 0 | (8,091) | (284,059) |
| Utility Systems | (4,678,904) | 0 | 0 | (186,226) | (4,865,130) |
| Sewer Capacity Rights | (6,663) | 0 | 0 | (6,663) | (13,326) |
| Equipment and Vehicles | (154,887) | 0 | 0 | (27,436) | (182,323) |
| Total accumulated depreciation | <u>(5,116,422)</u> | <u>0</u> | <u>0</u> | <u>(228,416)</u> | <u>(5,344,838)</u> |
| Business-type Activities Capital Assets - Net | <u>\$ 4,989,136</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ (228,416)</u> | <u>\$ 4,760,720</u> |

Depreciation expense was charged to functions as follows:

| | |
|---|---------------------|
| Governmental activities: | |
| General government | \$ 42,628 |
| Public safety | 164,685 |
| Highway and streets | 1,022,934 |
| Recreation | <u>8,131</u> |
| Total governmental activities depreciation expense | <u>\$ 1,238,378</u> |
| Business-type activities: | |
| Sewer | \$ 142,761 |
| Water | 58,368 |
| Ambulance | <u>27,287</u> |
| Total Business-type activities depreciation expense | <u>\$ 228,416</u> |

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6 - CAPITAL ASSETS (Continued)

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 7 - SHORT-TERM DEBT

In year ended June 30, 2015, the Town did not require a tax anticipation note.

NOTE 8 – DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources in the Governmental Activities consists of \$102,975 of required employer pension contributions made subsequent to the measurement date, as further described in Note V.A.

Deferred outflows of resources in the Ambulance Fund and Business-type Activities consists of \$52,602 of required employer pension contributions made subsequent to the measurement date, as further described in Note V.A.

Deferred outflows of resources in the Internal Service Fund consists of \$10,688 of required employer pension contributions made subsequent to the measurement date, as further described in Note V.A.

NOTE 9 – DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources in the Governmental Activities consists of \$3,862 of prepaid property taxes and \$207,633 resulting 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), as further described in Note V.A. Total deferred inflows of resources in the Governmental Activities is \$211,495.

Deferred inflows of resources in the Ambulance Fund and Business-type Activities consists of \$106,059 resulting 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), as further described in Note V.A.

Deferred inflows of resources in the Internal Service Fund consists of \$21,551 resulting 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), as further described in Note V.A.

Deferred inflows of resources in the General Fund consists of \$3,862 of prepaid property taxes, \$443,720 of delinquent property taxes (including penalties and interest on those taxes) and \$60,000 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 \$507,582.

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9 – DEFERRED INFLOWS OF RESOURCES (Continued)

Deferred inflows of resources in the Community Development Fund consists of \$773,107 of notes receivables that were not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities.

Deferred inflows of resources in the Other Governmental Funds consists of \$9,468 of cemetery accounts receivables that were not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities.

NOTE 10 – LONG-TERM LIABILITIES

The following is a summary of changes of long-term liabilities for the year ended June 30, 2015.

Long-term liabilities outstanding as of June 30, 2015 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, Rate of Interest at 5.182% | \$ 70,000 | - | \$10,000 | \$ 60,000 |
| General Obligation Municipal Bonds – 2003, Series 2, Originally \$775,000, Proceeds Used for Town Garage Building, Interest at 3.9% Due in Decreasing Annual Installments of \$40,000 to \$35,000 Plus Interest, Due December 2023 | 375,000 | - | 40,000 | 335,000 |
| Lease Payable to Pinnacle Public Finance, Interest at 3.28%, Due in Annual Installments of \$32,790, Due August 2021. Secured By Fire Rescue Truck | 227,481 | - | 25,329 | 202,152 |
| Lease Payable to SunTrust, Interest at 2.34%, Due in Varying Annual Installments, Due July 2015. Secured by Three Ambulances, a Dump Truck and Five Defibrillators | 105,565 | - | 62,925 | 42,640 |
| Lease Payable to Citizens Bank of Las Cruces, Interest at 4.45%, Due in Annual Installments of \$21,266, Due June, 2016. Secured by a Cat Grader | 39,420 | - | 19,491 | 19,929 |

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10 - LONG-TERM LIABILITIES (Continued)

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|---|------------------------------|------------------|------------------|---------------------------|
| Lease Payable to Pinnacle Public Finance, Interest at 4.09%, Due in Annual Installments of \$31,149, Due March, 2020. Secured by HME Pumper Fire Truck. | \$ 167,182 | \$ - | \$ 25,665 | \$141,517 |
| Note Payable to Barre Area Development, Interest at 3.0%, Due in Annual Installments Of \$25,000 Plus Interest from December 2014 through December 2016. Unsecured | 75,000 | - | 25,000 | 50,000 |
| Lease Payable to Sovereign Bank, Interest at 2.69%, Due in three Annual Installments of \$25,108 Plus Interest, Due September, 2015, Secured by Chevrolet G3500 Type III Ambulance. | 48,261 | - | 23,811 | 24,450 |
| Lease Payable to Santander Bank, Interest at 2.27%, Due in six Annual Installments of \$24,486 inclusive of Interest, Due January, 2015, Secured by 2013 Cat Loader | 114,514 | - | 21,886 | 92,628 |
| Lease Payable to Santander Bank, Interest at 2.57%, Due in five Annual Installments of \$18,715 inclusive of Interest, Due June, 2015, Secured by Backhoe | 70,285 | - | 16,908 | 53,377 |
| Lease Payable to Santander Bank, Interest at 2.89%, Due in three Annual Installments of \$11,239 inclusive of Interest Due April, 2015, Secured by 2012 Bobcat Skid | 21,541 | - | 10,618 | 10,923 |

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10 - LONG-TERM LIABILITIES (Continued)

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|---|------------------------------|------------------|------------------|---------------------------|
| Grant Funds Refundable to Vermont Agency of Commerce and Community Development when received back from SB Electronics, Inc. (SBE). Due January 1, 2020. | \$ 492,000 | \$ - | \$ - | \$ 492,000 |
| Net Pension Liability | 267,986 | - | 205,333 | 62,653 |
| Accrued Compensated Absences | <u>157,811</u> | <u>-</u> | <u>2,958</u> | <u>154,853</u> |
| Total Governmental Activities Long-Term Liabilities | <u>\$2,232,046</u> | <u>\$ -</u> | <u>\$489,924</u> | <u>\$1,742,122</u> |
| Business-Type Activities: | | | | |
| 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 | \$ 326,250 | \$ - | \$ 36,250 | \$ 290,000 |
| Vermont Municipal Bond Bank, Refinancing of Two (2) USDA Loans, Due in Annual Installments of \$40,497 beginning November 2013, inclusive of interest paid semi-annually at 3.65%, Due November 2041 | 625,958 | - | 17,650 | 608,308 |
| 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 | 73,453 | - | 3,375 | 70,078 |

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10 - LONG-TERM LIABILITIES (Continued)

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|---|------------------------------|------------------|------------------|---------------------------|
| Millstone and water tank loan from Merchants Bank. Interest at 2.13% and Principal payments of \$8,000 are Due in Annual Installments, Due October, 2018 | \$ 40,000 | \$ - | \$ 8,000 | \$ 32,000 |
| Net Pension Liability | 136,888 | - | 104,883 | 32,005 |
| Accrued Compensated Absences | <u>56,118</u> | <u>4,404</u> | <u>-</u> | <u>60,522</u> |
| Total Business-Type Activities Long-Term Liabilities | <u>\$1,258,667</u> | <u>\$ 4,404</u> | <u>\$170,158</u> | <u>\$1,092,913</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 | \$ 445,000 | \$ 0 | \$ 50,000 | \$ 395,000 | \$ 50,000 |
| Barre Area Development | 75,000 | 0 | 25,000 | 50,000 | 25,000 |
| Capital Leases Payable | 794,249 | 0 | 206,633 | 587,616 | 190,334 |
| Grant Funds Payback Requirement | 492,000 | 0 | 0 | 492,000 | 0 |
| Rock of Ages Settlement | 100,000 | 0 | 50,000 | 50,000 | 50,000 |
| Compensated Absences | 157,811 | 0 | 2,958 | 154,853 | 0 |
| Net Pension Liability | <u>267,986</u> | <u>0</u> | <u>205,333</u> | <u>62,653</u> | <u>0</u> |
| Total Governmental Activities Long-Term Liabilities | <u>\$ 2,332,046</u> | <u>\$ 0</u> | <u>\$ 539,924</u> | <u>\$ 1,792,122</u> | <u>\$ 315,334</u> |
| Business-type Activities | | | | | |
| Revolving Loan Fund Payable | \$ 326,250 | \$ 0 | \$ 36,250 | \$ 290,000 | \$ 36,250 |
| USDA Rural Development Payable | 625,958 | 0 | 17,650 | 608,308 | 18,294 |
| Vermont Municipal Bond Bank | 40,000 | 0 | 8,000 | 32,000 | 8,000 |
| Mill Street EPA Loan Payable | 73,453 | 0 | 3,375 | 70,078 | 3,477 |
| Compensated Absences | 56,118 | 4,404 | 0 | 60,522 | 0 |
| Net Pension Liability | <u>136,888</u> | <u>0</u> | <u>104,883</u> | <u>32,005</u> | <u>0</u> |
| Total Business-type Activities Long-Term Liabilities | <u>\$ 1,258,667</u> | <u>\$ 4,404</u> | <u>\$ 170,158</u> | <u>\$ 1,092,913</u> | <u>\$ 66,021</u> |

(A) The Town settled a property tax valuation dispute with Rock of Ages in 2013 that required a reduction in taxes of \$56,306 in 2013 and \$50,000 annually during 2014, 2015 and 2016.

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

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10 - LONG-TERM LIABILITIES (Continued)

Long-term debt will mature approximately as follows:

| Years ending | Governmental Activities | | | Business-Type Activities | | |
|------------------------|-------------------------|-----------|----------------|--------------------------|------------|--------------|
| Years ending | Principal | Interest | Capital Leases | Principal | Interest | Total |
| June 30, 2016 | \$ 75,000 | \$ 17,612 | \$ 207,621 | \$ 66,021 | \$ 24,653 | \$ 90,674 |
| June 30, 2017 | 75,000 | 14,697 | 107,140 | 66,793 | 23,699 | 90,492 |
| June 30, 2018 | 50,000 | 12,480 | 107,139 | 67,593 | 22,715 | 90,308 |
| June 30, 2019 | 50,000 | 10,222 | 88,424 | 68,421 | 21,704 | 90,125 |
| June 30, 2020-2024 | 537,000 | 7,189 | 63,938 | 61,278 | 20,663 | 81,941 |
| June 30, 2021-2025 | 150,000 | 14,101 | 65,578 | 247,863 | 89,122 | 336,985 |
| June 30, 2026-2030 | 0 | 0 | 0 | 165,631 | 62,182 | 227,813 |
| June 30, 2031-2035 | 0 | 0 | 0 | 173,888 | 31,105 | 204,993 |
| June 30, 2036-2040 | 0 | 0 | 0 | 57,054 | 10,072 | 67,126 |
| June 30, 2041-2043 | 0 | 0 | 0 | 25,844 | 952 | 26,796 |
| Total | 937,000 | 76,301 | 639,840 | 1,000,386 | 306,867 | 1,307,253 |
| Less: Imputed Interest | 0 | 0 | (52,224) | 0 | 0 | 0 |
| Total | \$ 937,000 | \$ 76,301 | \$ 587,616 | \$ 1,000,386 | \$ 306,867 | \$ 1,307,253 |

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 (Exh. C and Sch. 4) | Funds (Exhibit H) | Governmental Activities | Business-type Activities |
| Nonspendable: | | | | |
| Community Development Fund - Land Held for Sale | \$ 426,777 | \$ 0 | \$ 0 | \$ 0 |
| Cemetery Trust Fund - principal at Edward Jones Investments | 237,682 | 0 | 0 | 0 |
| Prepaid expenses of Governmental Funds | 4,238 | 0 | 0 | 0 |
| Internal Receivables from Funds with Deficit - Equipment Fund | 408,749 | 0 | 0 | 0 |
| | <u>1,077,446</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Restricted: | | | | |
| Cemetery Trust Fund - principal at Edward Jones Investments | 0 | 0 | 237,682 | 0 |
| Community Development Fund - Grant Agreement | 397,841 | 0 | 954,976 | 0 |
| General Fund - donations to fire department | 1,685 | 0 | 1,685 | 0 |
| General Fund - donations to DARE program | 388 | 0 | 388 | 0 |
| General Fund - donations to recreation department | 1,496 | 0 | 1,496 | 0 |
| General Fund - donations to the police department | 690 | 0 | 690 | 0 |
| General Fund - donations for medical equipment | 367 | 0 | 367 | 0 |
| General Fund - donations for skate park maintenance | 14,687 | 0 | 14,687 | 0 |
| General Fund - Websterville Play ground | 7,351 | 0 | 7,351 | 0 |
| Construction Fund - Bike Path Donations | 318,107 | 0 | 318,107 | 0 |
| Cemetery Trust Fund - perpetual care | 36,081 | 0 | 36,081 | 0 |
| Sewer Fund - For Sewer Improvements by Sewer Allocation Policy | 0 | 556,023 | 0 | 556,023 |
| | <u>778,693</u> | <u>556,023</u> | <u>1,573,510</u> | <u>556,023</u> |

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 11 - FUND BALANCE/NET POSITION CATEGORIES (Continued)

| | Individual Funds Statements | | Government-Wide Statements | |
|--|------------------------------|----------------------|----------------------------|-----------------------------|
| | Governmental | Proprietary | (Exhibit A) | |
| | Funds (Exh. C and Sch. 4) | Funds (Exhibit H) | Governmental Activities | Business-type Activities |
| Assigned: | | | | |
| General Fund: | | | | |
| Reduce Taxes Raised in 2016 | \$ 100,000 | \$ 0 | \$ 0 | \$ 0 |
| Highway Escrow - Bridge Street Project | 81,865 | 0 | 0 | 0 |
| Safety Fair Donations | 212 | 0 | 0 | 0 |
| Fire Turn-Out Gear - for future purchases of turn-out gear | 20,923 | 0 | 0 | 0 |
| Reappraisal Fund | 408,486 | 0 | 0 | 0 |
| Cemetery Fund | 32,046 | 0 | 0 | 0 |
| Recreation Fund | 2,052 | 0 | 0 | 0 |
| | <u>645,584</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Unassigned (governmental funds)/Unrestricted (business-type funds) | <u>2,165,145</u> | <u>(299,865)</u> | <u>2,978,815</u> | <u>(299,865)</u> |
| Invested in Capital Assets, Net of Related Debt: | | | | |
| Capital Assets, net of accumulated depreciation | 0 | 4,760,720 | 12,956,342 | 4,760,720 |
| Related Debt | 0 | 1,333,489 | 1,032,616 | 1,333,489 |
| | <u>0</u> | <u>3,427,231</u> | <u>11,923,726</u> | <u>3,427,231</u> |
| Total Fund Balances/Net Position | <u>\$ 4,666,868</u> | <u>\$ 3,683,389</u> | <u>\$ 16,476,051</u> | <u>\$ 3,683,389</u> |

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, 2015 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 17, February 17, and May 15. All late payments are subject to a 5% penalty if paid within 30 days of the installment date; 8% penalty if paid after 30 days, and interest is 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 2014/2015 were as follows:

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 - PROPERTY TAXES (Continued)

| | <u>Residential</u> | <u>Non-residential</u> |
|---------------------|--------------------|------------------------|
| General Fund | \$ 0.4944 | \$ 0.4944 |
| Highway Fund | 0.3948 | 0.3948 |
| Local Agreement | 0.0047 | 0.0047 |
| State Education Tax | <u>1.3930</u> | <u>1.7328</u> |
| | <u>\$ 2.2869</u> | <u>\$ 2.6267</u> |

NOTE 14 - PENSION PLANS

Defined Benefit Plan

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, 2015, the retirement system consisted of 437 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.

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 14 - PENSION PLANS (Continued)

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

As of June 30, 2014, the measurement date selected by the State of Vermont, VMERS was funded at 98.32% and had a plan fiduciary net position of \$534,525,477 and a total pension liability of \$543,652,090 resulting in a net pension liability of \$9,126,613. As of June 30, 2015, the Town's proportionate share of this was 1.0372% resulting in a liability of \$94,658. The net pension liability was measured as of June 30, 2014, 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 entities, actuarially determined. As of June 30, 2014, the Town's proportion of 1.0372% was a decrease of 0.0748% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Town recognized pension expense of \$137,263.

As of June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Changes in proportional share of contributions | \$ 0 | \$ 21,806 |
| Difference between projected and actual earnings on pension plan investments | 0 | 291,886 |
| Town's required employer contributions made subsequent to the measurement date | <u>155,577</u> | <u>0</u> |
| | \$ <u><u>155,577</u></u> | \$ <u><u>313,692</u></u> |

The deferred outflows of resources resulting from the Town's required employer contributions made subsequent to the measurement date in the amount of \$155,577 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. 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> | |
|-------------------------------|-------------------------|
| 2016 | \$ 62,738 |
| 2017 | 62,738 |
| 2018 | 62,738 |
| 2019 | 62,739 |
| 2020 | <u>62,739</u> |
| Total | <u><u>\$313,692</u></u> |

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 14 - PENSION PLANS (Continued)

Summary of System Provisions

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

Creditable Service – Service as a member plus purchased service.

Average Final Compensation (AFC): Group 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. Group 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 Group 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, 2015

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 – 4.75% effective July 1, 2014 (increased from 4.625%). Group C – 9.625% effective July 1, 2014 and 9.75% effective January 1, 2015 (increased from 9.5%).

Employer Contributions: Group B – 5.375% effective July 1, 2014 (increased from 5.125%). Group C – 6.875% from July 1, 2014 to December 31, 2014 (increased from 6.625%) and then 7.0% effective January 1, 2015.

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

Significant Actuarial Assumptions and Methods

Interest Rate - A select-and-ultimate interest rate set, specified as follows. The interest rate set is restarted every year.

| | |
|---------------|--------------------------|
| Year 1: 6.25% | Year 10: 8.50% |
| Year 2: 6.75% | Year 11: 8.50% |
| Year 3: 7.00% | Year 12: 8.50% |
| Year 4: 7.50% | Year 13: 8.50% |
| Year 5: 7.75% | Year 14: 8.50% |
| Year 6: 8.25% | Year 15: 8.50% |
| Year 7: 8.25% | Year 16: 8.75% |
| Year 8: 8.25% | Year 17 and later: 9.00% |
| Year 9: 8.50% | |

Salary increases - 5% per year.

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 14 - PENSION PLANS (Continued)

Deaths:

Active participants – 50% of the probabilities in the 1995 Buck Mortality Tables for males and females.

Non-disabled retirees and terminated vested participants – The 1995 Buck Mortality Tables with no set-back for males and one-year set-back for females.
Disabled retirees – RP-2000 Disabled Life Tables.

Beneficiaries – 1995 Buck Mortality Tables for males and females.

Spouse's Age: - Husbands are assumed to be three years older than their wives.

Cost-of-Living Adjustments to Benefits of Terminated Vested and Retired Participants - Assumed to occur at the rate of 1.8% per annum for Group B and C members.

Actuarial Cost Method - Entry Age Normal - Level Percentage of Pay.

Asset Valuation Method - Invested assets are reported at fair value.

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

Inflation- The separately stated assumptions for investment return, salary increases and cost of living adjustments are consistent with an expected annual inflation rate of 3.00% to 3.25% per year.

Long-term Expected Rate of Return:

The long-term expected rate of return on investments was determined using best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) developed for each major asset class using an econometric model that forecasts a variety of economic environments and then calculates asset class returns based on functional relationships between the economic variable and the asset classes. These best estimate ranges were combined to produce forecasts of the short, intermediate, and longer term horizons by weighting the expected future nominal rates of return by the target asset allocation percentage. The various time horizons in the forecast are intended to capture more recent economic and capital market conditions as well as other plausible environments that could develop in the future over economic cycles. To reflect this in the rate-of-return assumption, a Select and Ultimate assumption setting approach, which is cited in Section 3.8.4 of Actuarial Standard of Practice No. 27 as an alternative to a single assumed rate of return, is employed.

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2014 are summarized in the following table:

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 14 - PENSION PLANS (Continued)

| <u>Asset Class</u> | <u>Target Asset Allocation</u> | <u>Long-term Expected Real Rate of Return</u> |
|--------------------|--------------------------------|---|
| Equity | 31.50% | 6.70% |
| Fixed Income | 33.00% | 2.94% |
| Alternatives | 15.50% | 6.26% |
| Multi-strategy | 20.00% | 5.98% |

Nominal long-term expected rates of return for these asset classes are equal to the sum of the expected long-term real rates and the expected long-term inflation rate of 3.0%.

Discount Rate - The discount rate used to measure the total pension liability was 8.23%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current members. The assumed discount rate has been determined in accordance with the method prescribed by GASB 68.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 8.23 percent, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (7.23%) or one percent higher (9.23%):

| <u>1% Decrease (7.23%)</u> | <u>Discount Rate (8.23%)</u> | <u>1% Increase (9.23%)</u> |
|----------------------------|------------------------------|----------------------------|
| \$797,436 | \$94,658 | \$(494,952) |

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.

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 16 - INTERFUND TRANSFERS

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 and the amount used for operations in the Cemetery Fund. Interfund transfers for the year ended June 30, 2015 are as follows:

| | Transfers from | | |
|--------------------------------|----------------|------------------------|------------|
| | General Fund | Cemetery Trust Fund | Totals |
| Transfers to Ambulance Fund | \$ 402,697 | \$ 0 | \$ 402,697 |
| Cemetery Fund | 0 | 11,226 | 11,226 |
| Total | \$ 402,697 | \$ 11,226 | \$ 413,923 |

NOTE 17 - COMMITMENTS

The Town has entered into contracts with a number of surrounding towns to provide emergency medical services through June 30, 2016.

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 an annual "readiness to serve" base charge of \$16,875 to the City. The agreement also outlines the criteria for establishing rates charged to the Town and Town residents serviced by the City water system.

NOTE 18 - DEFICIT NET POSITION/FUND BALANCES

An unrestricted net position deficit of \$567,247 exists in the Ambulance Fund due to having an excess of operating expenses over revenue since the Ambulance Fund was established in budget year 1999-2000. Ambulance calls have averaged about 2,500 to 3,000 per year, with a high of 3,575 reached in the 2015 fiscal year. For the 2014-2015 fiscal year the per capita rate charged to the Town of Barre General Fund increased \$51,110 or \$6.45. The per capita charged to three customer towns increased \$1.50, per the existing contract. The per capita charged to the fourth town increased \$1.30. For fiscal year 15-16 Barre Town's per capita charge was not changed while the customer towns' fee increased \$1.25 and \$1.37, respectively. If the annual number of calls remains 3,500 and if Barre Town EMS continues to perform approximately 240 critical care transfers each year, the Fund should meet budget expectations and net asset deficit will continue to decrease.

There also is an unrestricted net position deficit in the Water Fund of \$194,341 due to continuing net losses from operations. Billing rates were increased for FY 15-16 to reduce likelihood of an operation deficit.

TOWN OF BARRE, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

There is also an unrestricted net position deficit in the Equipment Internal Service Fund of \$782,013 due to operating losses in prior years. The Town is slowly reducing 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 \$150,749 which will be eliminated by the sale of land held for sale in the Wilson Industrial Park.

NOTE 19 – RELATED PARTY TRANSACTIONS

Some of the Town's Selectboard members own businesses that do business with the Town or are employed by such businesses. In 2015, total purchases from businesses owned by Selectboard members amounted to \$11,498. At June 30, 2015, there was \$661 due to these businesses and included in accounts payable. The Selectboard does not have a policy addressing conflicts of interest but as a practice Selectboard members abstain from voting on transactions that may present a conflict.

NOTE 20 – SUBSEQUENT EVENTS

In August 2015, the Town refinanced two existing capital leases with Pinnacle Leasing, both of which included a fire truck. Under the new lease agreement with Municipal Leasing Consultants, the Town also incorporated the financing of a dump truck and vibratory roller both purchased subsequent to year end. The terms of the lease agreement is as follows:

Fire Rescue Truck: Principal amount of \$212,303, Due in annual installments of \$32,612 including interest of 2.49%, Due August 15, 2021.

Fire Pumper Truck: Principal amount of \$148,461, Due in annual installments of \$31,171 including interest of 2.49%, Due August 15, 2019.

Dump Truck: Principal amount of \$148,064, Due in annual installments of \$50,573 including interest of 2.49%, Due August 15, 2017.

Vibratory Roller: Principal amount of \$73,250, Due in annual installments of \$25,020 including interest of 2.49%, Due August 15, 2017.

TOWN OF BARRE, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 VMERS DEFINED BENEFIT PLAN
 JUNE 30, 2015

| | <u>2015</u> |
|---|-------------------------------|
| Total Plan Net Pension Liability | \$ 9,126,613 |
| Town's Proportion of the Net Pension Liability | 1.0372% |
| Town's Proportionate Share of the Net Pension Liability | \$ 94,658 |
| Town's Covered Employee Payroll | \$ 2,735,854 |
| Town's Proportionate Share of the Net Pension Liability as a Percentage of Town's Covered Employee Payroll | 3.45% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 98.32% as of June 30, 2014 |

Notes to Schedule

Benefit Changes: None.

Changes in Assumptions: None.

Fiscal year 2015 was the first year of implementation, therefore, only one year is shown.

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF BARRE, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 VMERS DEFINED BENEFIT PLAN
 FOR THE YEAR ENDED JUNE 30, 2015

| | <u>2015</u> |
|---|--------------------|
| Contractually Required Contribution (Actuarially Determined) | \$ 155,577 |
| Contributions in Relation to the Actuarially Determined Contributions | <u>155,577</u> |
| Contribution Excess/(Deficiency) | \$ <u><u>0</u></u> |
| Town's Covered Employee Payroll | \$ 2,735,854 |
| Contributions as a Percentage of Town's Covered Employee Payroll | 5.68% |

Notes to Schedule

Valuation Date: June 30, 2014

Fiscal year 2015 was the first year of implementation, therefore, only one year is shown.

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF BARRE, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

| | Original and Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|---------------------------------|--------------|--|
| REVENUES: | | | |
| General government: | | | |
| Property taxes: | | | |
| Current | \$ 2,683,706 | \$ 2,649,056 | \$ (34,650) |
| Delinquent | 270,000 | 386,034 | 116,034 |
| Interest and penalties | 77,000 | 102,412 | 25,412 |
| Payments in lieu of taxes, HS-122 refunds and other | 28,300 | 27,110 | (1,190) |
| Total property taxes | 3,059,006 | 3,164,612 | 105,606 |
| Licenses and permits: | | | |
| Liquor licenses | 950 | 1,115 | 165 |
| Dog licenses | 6,400 | 5,403 | (997) |
| Zoning | 4,000 | 4,131 | 131 |
| Other | 5,305 | 5,456 | 151 |
| Total licenses and permits | 16,655 | 16,105 | (550) |
| Intergovernmental: | | | |
| School cost sharing | 10,000 | 7,775 | (2,225) |
| Current use program | 90,580 | 89,587 | (993) |
| Act 60 reappraisal grant | 3,600 | 3,487 | (113) |
| Grants | 275 | 31,451 | 31,176 |
| Total intergovernmental | 104,455 | 132,300 | 27,845 |
| Charges for services: | | | |
| General government | | | |
| Recording fees | 78,500 | 57,513 | (20,987) |
| Vault time/copies | 5,700 | 6,359 | 659 |
| Certified copies | 3,600 | 4,943 | 1,343 |
| Vehicle registration fees | 825 | 645 | (180) |
| Other | 905 | 5,092 | 4,187 |
| Total general government | 89,530 | 74,552 | (14,978) |
| Public safety | | | |
| Police | 61,750 | 41,298 | (20,452) |
| Fire | 3,100 | 1,737 | (1,363) |
| Total public safety | 64,850 | 43,035 | (21,815) |
| Sanitation | | | |
| Trash collection | 2,800 | 3,212 | 412 |
| Green up | 600 | 775 | 175 |
| Total sanitation | 3,400 | 3,987 | 587 |

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF BARRE, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

| | Original and Final Budget | Actual | Variance Favorable (Unfavorable) |
|----------------------------|---------------------------------|-----------|--|
| Recreation | | | |
| Programs | \$ 1,000 | \$ 635 | \$ (365) |
| Lights | 1,750 | 882 | (868) |
| Use of fields | 2,600 | 1,580 | (1,020) |
| Shelter rental | 1,600 | 2,245 | 645 |
| Donations | 2,650 | 9,641 | 6,991 |
| Other | 25 | - | (25) |
| Total recreation | 9,625 | 14,983 | 5,358 |
| Total charges for services | 167,405 | 136,557 | (30,848) |
| Miscellaneous income: | | | |
| Interest | 500 | 2,684 | 2,184 |
| Building income | 20,745 | 20,611 | (134) |
| Other | 1,500 | 21,825 | 20,325 |
| Total miscellaneous income | 22,745 | 45,120 | 22,375 |
| Total general government | 3,370,266 | 3,494,694 | 124,428 |
| Highway and streets: | | | |
| Property taxes: | 2,404,745 | 2,404,745 | - |
| Intergovernmental: | | | |
| Highway state aid | 200,855 | 200,668 | (187) |
| Grants | - | 191,398 | 191,398 |
| Total intergovernmental | 200,855 | 392,066 | 191,211 |
| Charges for services: | | | |
| Permits | 1,900 | 1,655 | (245) |
| Other | 1,400 | 21,540 | 20,140 |
| Total charges for services | 3,300 | 23,195 | 19,895 |
| Total highways and streets | 2,608,900 | 2,820,006 | 211,106 |
| Total revenues | 5,979,166 | 6,314,700 | 335,534 |
| EXPENDITURES: | | | |
| General Government: | | | |
| Selectmen: | | | |
| Salaries | 8,000 | 12,590 | (4,590) |
| Mileage | 25 | - | 25 |
| Supplies | 7,030 | 7,885 | (855) |
| Training | 100 | 110 | (10) |
| Outside services | 7,050 | 13,787 | (6,737) |
| Other | 2,090 | 2,305 | (215) |
| Total selectmen | 24,295 | 36,677 | (12,382) |

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF BARRE, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

| | Original and Final Budget | Actual | Variance Favorable (Unfavorable) |
|---------------------------|---------------------------------|---------|--|
| Auditing: | | | |
| Salaries | \$ 1,075 | \$ 670 | \$ 405 |
| Mileage - equipment costs | 85 | 71 | 14 |
| Supplies | 3,000 | 4,939 | (1,939) |
| Training | 50 | - | 50 |
| Outside services | 29,890 | 94,137 | (64,247) |
| Total auditing | 34,100 | 99,817 | (65,717) |
| Town manager: | | | |
| Salaries | 148,550 | 129,693 | 18,857 |
| Equipment | 8,595 | 8,436 | 159 |
| Supplies | 6,885 | 4,604 | 2,281 |
| Buildings and grounds | 1,280 | 1,775 | (495) |
| Training | 3,680 | 2,050 | 1,630 |
| Outside services | 14,085 | 9,735 | 4,350 |
| Other | 620 | 152 | 468 |
| Total town manager | 183,695 | 156,445 | 27,250 |
| Elections: | | | |
| Salaries | 7,840 | 9,188 | (1,348) |
| Equipment | 10 | - | 10 |
| Supplies | 7,240 | 9,411 | (2,171) |
| Total elections | 15,090 | 18,599 | (3,509) |
| Clerk/Treasurer: | | | |
| Salaries | 163,550 | 147,620 | 15,930 |
| Equipment | 3,210 | 2,932 | 278 |
| Supplies | 11,765 | 12,748 | (983) |
| Buildings and grounds | 1,190 | 1,841 | (651) |
| Training | 1,025 | 880 | 145 |
| Outside services | 16,035 | 15,727 | 308 |
| Other | 85 | 61 | 24 |
| Total clerk/treasurer | 196,860 | 181,809 | 15,051 |
| Data processing: | | | |
| Salaries | 7,830 | 8,090 | (260) |
| Equipment | 6,590 | 6,490 | 100 |
| Supplies | 200 | - | 200 |
| Buildings and grounds | 930 | 1,879 | (949) |
| Training | 200 | 395 | (195) |
| Outside services | 16,850 | 18,433 | (1,583) |
| Total data processing | 32,600 | 35,287 | (2,687) |

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF BARRE, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

| | Original and Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|---------------------------------|-----------|--|
| Planning/Zoning/Community development: | | | |
| Salaries | \$ 84,320 | \$ 92,909 | \$ (8,589) |
| Equipment | 1,070 | 1,159 | (89) |
| Supplies | 4,075 | 3,697 | 378 |
| Buildings and grounds | 875 | 1,084 | (209) |
| Outside services | 5,825 | 5,428 | 397 |
| Training | 585 | 201 | 384 |
| Total planning/zoning/community development | 96,750 | 104,478 | (7,728) |
| Assessor: | | | |
| Salaries | 32,020 | 32,159 | (139) |
| Equipment | 55 | 40 | 15 |
| Supplies | 1,805 | 2,049 | (244) |
| Buildings and grounds | 1,115 | 1,069 | 46 |
| Training | 1,030 | 1,582 | (552) |
| Outside services | 53,490 | 52,807 | 683 |
| Total assessor | 89,515 | 89,706 | (191) |
| Municipal building: | | | |
| Salaries | 12,465 | 11,063 | 1,402 |
| Equipment | 4,710 | 4,303 | 407 |
| Supplies | 160 | 242 | (82) |
| Buildings and grounds | 43,710 | 49,973 | (6,263) |
| Outside services | 1,050 | 200 | 850 |
| Total municipal building | 62,095 | 65,781 | (3,686) |
| Total general government | 735,000 | 788,599 | (53,599) |
| Public safety: | | | |
| Police: | | | |
| Salaries | 545,900 | 571,346 | (25,446) |
| Equipment | 123,625 | 127,241 | (3,616) |
| Supplies | 2,365 | 1,513 | 852 |
| Buildings and grounds | 9,375 | 9,812 | (437) |
| Training | 5,955 | 5,032 | 923 |
| Outside services | 89,320 | 89,584 | (264) |
| Benefits | 7,875 | 16,817 | (8,942) |
| Other | 4,255 | 9,571 | (5,316) |
| Total police | 788,670 | 830,916 | (42,246) |

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF BARRE, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

| | Original and Final Budget | Actual | Variance Favorable (Unfavorable) |
|-----------------------|---------------------------------|-----------|--|
| Fire: | | | |
| Salaries | \$ 61,475 | \$ 55,982 | \$ 5,493 |
| Equipment | 147,975 | 145,089 | 2,886 |
| Supplies | 4,685 | 5,305 | (620) |
| Buildings and grounds | 45,130 | 46,490 | (1,360) |
| Training | 2,210 | 1,980 | 230 |
| Outside services | 46,315 | 45,575 | 740 |
| Benefits | 12,900 | 4,362 | 8,538 |
| Other | 500 | - | 500 |
| Total fire | 321,190 | 304,783 | 16,407 |
| Civil defense: | | | |
| Salaries | 1,025 | 825 | 200 |
| Equipment | 4,720 | 3,408 | 1,312 |
| Supplies | 25 | - | 25 |
| Buildings and grounds | 385 | 1,464 | (1,079) |
| Training | 100 | - | 100 |
| Outside services | 700 | 55 | 645 |
| Total civil defense | 6,955 | 5,752 | 1,203 |
| Total public safety | 1,116,815 | 1,141,451 | (24,636) |
| Solid waste: | | | |
| Salaries | 8,395 | 6,590 | 1,805 |
| Equipment | 9,595 | 9,243 | 352 |
| Supplies | 1,715 | 1,709 | 6 |
| Training | 8,235 | 8,237 | (2) |
| Outside services | 17,655 | 19,994 | (2,339) |
| Other | - | 1,056 | (1,056) |
| Total solid waste | 45,595 | 46,829 | (1,234) |
| Health & welfare: | | | |
| Health officer: | | | |
| Salaries | 1,900 | 2,262 | (362) |
| Training | 75 | - | 75 |
| Outside services | 265 | 60 | 205 |
| Total health officer | 2,240 | 2,322 | (82) |
| Animal control: | | | |
| Salaries | 27,770 | 14,149 | 13,621 |
| Equipment | 12,550 | 1,600 | 10,950 |
| Supplies | 180 | 40 | 140 |
| Buildings and grounds | 300 | 311 | (11) |
| Training | 75 | - | 75 |
| Outside services | 3,050 | 1,250 | 1,800 |
| Benefits | 355 | 109 | 246 |
| Total animal control | 44,280 | 17,459 | 26,821 |

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF BARRE, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

| | Original and Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|---------------------------------|-----------|--|
| Contributions: | | | |
| Central VT Home Health Hospice | \$ 16,000 | \$ 16,000 | \$ - |
| Peoples Health & Wellness Clinic | 1,500 | 1,500 | - |
| Project Independence | 5,500 | 5,500 | - |
| Central VT Agency on Aging | 6,000 | 6,000 | - |
| R.S.V.P. | 1,000 | 1,000 | - |
| Circle | 2,000 | 2,000 | - |
| Central VT Adult Basic Education | 2,900 | 2,900 | - |
| Family Center of Washington County | 1,500 | 1,500 | - |
| Central VT Community Action | 1,000 | 1,000 | - |
| Washington County Diversion | 2,500 | 2,500 | - |
| Barre Senior Center | 7,500 | 7,500 | - |
| Barre Homecoming | 2,000 | 2,000 | - |
| Sexual Assault Crisis Team | 350 | 350 | - |
| Washington County Youth Services | 500 | 500 | - |
| Prevent Child Abuse of Vermont | 1,200 | 1,200 | - |
| Vermont Center for Independent Living | 2,000 | 2,000 | - |
| Total contributions | 53,450 | 53,450 | - |
| Total health & welfare | 99,970 | 73,231 | 26,739 |
| Culture/Recreation/Development & transportation: | | | |
| Culture: | 115,000 | 115,000 | - |
| Recreation: | | | |
| Salaries | 47,360 | 53,853 | (6,493) |
| Equipment | 3,605 | 14,087 | (10,482) |
| Supplies | 21,590 | 17,811 | 3,779 |
| Buildings and grounds | 27,135 | 55,209 | (28,074) |
| Training | 135 | 241 | (106) |
| Outside services | 15,700 | 28,208 | (12,508) |
| Benefits | 50 | - | 50 |
| Other | 700 | 25,659 | (24,959) |
| Total recreation | 116,275 | 195,068 | (78,793) |
| Development: | 62,265 | 58,743 | 3,522 |
| Transportation: | 4,875 | 4,875 | - |
| Total culture/recreation/development & transportation | 298,415 | 373,686 | (75,271) |
| Insurances & benefits: | | | |
| Insurance | 65,430 | 66,104 | (674) |
| Benefits | 463,780 | 374,478 | 89,302 |
| Total insurances & benefits | 529,210 | 440,582 | 88,628 |
| County tax: | 53,930 | 52,132 | 1,798 |

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TOWN OF BARRE, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

| | Original and Final Budget | Actual | Variance Favorable (Unfavorable) |
|------------------------------------|---------------------------------|----------|--|
| Other: | | | |
| Training | \$ 9,191 | \$ 9,191 | \$ - |
| Miscellaneous | 38,570 | 1,829 | 36,741 |
| Total other | 47,761 | 11,020 | 36,741 |
| Highway and streets: | | | |
| Engineering & administration: | | | |
| Salaries | 105,010 | 102,121 | 2,889 |
| Equipment | 34,025 | 51,377 | (17,352) |
| Supplies | 1,450 | 1,285 | 165 |
| Buildings and grounds | 1,250 | 1,382 | (132) |
| Training | 1,100 | 893 | 207 |
| Outside services | 5,000 | 1,336 | 3,664 |
| Other | 3,140 | 3,682 | (542) |
| Total engineering & administration | 150,975 | 162,076 | (11,101) |
| Summer maintenance: | | | |
| Salaries | 177,370 | 166,888 | 10,482 |
| Equipment | 318,540 | 317,478 | 1,062 |
| Supplies | 34,430 | 29,946 | 4,484 |
| Outside services | 111,200 | 104,300 | 6,900 |
| Total summer maintenance | 641,540 | 618,612 | 22,928 |
| Winter maintenance: | | | |
| Salaries | 175,300 | 195,661 | (20,361) |
| Equipment | 232,585 | 225,988 | 6,597 |
| Supplies | 154,950 | 224,440 | (69,490) |
| Buildings and grounds | 2,120 | 1,968 | 152 |
| Outside services | 49,260 | 59,589 | (10,329) |
| Other | 100 | - | 100 |
| Total winter maintenance | 614,315 | 707,646 | (93,331) |
| Summer construction: | | | |
| Salaries | 14,850 | 9,958 | 4,892 |
| Equipment | 20,350 | 16,350 | 4,000 |
| Supplies | 4,500 | 812 | 3,688 |
| Outside services | 305,365 | 393,005 | (87,640) |
| Total summer construction | 345,065 | 420,125 | (75,060) |
| Retreatment: | | | |
| Salaries | 12,975 | 10,635 | 2,340 |
| Equipment | 10,560 | 15,302 | (4,742) |
| Supplies | 26,800 | 11,261 | 15,539 |
| Outside services | 287,765 | 299,101 | (11,336) |
| Total retreatment | 338,100 | 336,299 | 1,801 |

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TOWN OF BARRE, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

| | Original and Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|---------------------------------|--------------|--|
| Federal and state projects: | \$ 8,000 | \$ 8,000 | \$ - |
| Employee benefits: | | | |
| Salaries | 62,395 | 37,770 | 24,625 |
| Benefits | 290,280 | 275,728 | 14,552 |
| Total employee benefits | 352,675 | 313,498 | 39,177 |
| Gravel pits: | | | |
| Salaries | 19,970 | 10,453 | 9,517 |
| Equipment | 32,135 | 23,074 | 9,061 |
| Supplies | 1,725 | 12 | 1,713 |
| Buildings and grounds | 55 | 30 | 25 |
| Training | 1,400 | 675 | 725 |
| Outside services | 875 | 401 | 474 |
| Other | 1,450 | 1,395 | 55 |
| Total gravel pits | 57,610 | 36,040 | 21,570 |
| Signs: | | | |
| Salaries | 6,235 | 3,810 | 2,425 |
| Equipment | 3,310 | 4,932 | (1,622) |
| Supplies | 6,075 | 4,530 | 1,545 |
| Buildings and grounds | 85,000 | 80,602 | 4,398 |
| Total signs | 100,620 | 93,874 | 6,746 |
| Total highway and streets | 2,608,900 | 2,696,170 | (87,270) |
| Rock of ages - tax grievance installment payment: | - | 50,000 | (50,000) |
| Debt service: | | | |
| Incubator building - municipal bonds - principal | 35,000 | 35,000 | - |
| Incubator building - municipal bonds - interest | 5,845 | 5,847 | (2) |
| Total debt service | 40,845 | 40,847 | (2) |
| Total expenditures | 5,576,441 | 5,714,547 | (138,106) |
| Excess of Revenues over Expenditures | 402,725 | 600,153 | 197,428 |
| TRANSFERS: | | | |
| Transfers out | (402,725) | (402,697) | 28 |
| Total transfers | (402,725) | (402,697) | 28 |
| Net Change in Fund Balance | \$ - | 197,456 | \$ 197,456 |
| Fund Balance - July 1, 2014 | | 2,761,089 | |
| Fund Balance - June 30, 2015 | | \$ 2,958,545 | |

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TOWN OF BARRE, VERMONT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

| | Special Revenue Funds | | | Permanent Fund | |
|---|-----------------------|--------------------|---------------------|---------------------------|-------------------|
| | Cemetery Fund | Recreation Fund | Reappraisal Fund | Cemetery Trust Fund | Total |
| ASSETS | | | | | |
| Cash | \$ - | \$ - | \$ 348,445 | \$ 16,119 | \$ 364,564 |
| Investments | - | - | - | 237,682 | 237,682 |
| Accounts receivable | 9,468 | - | - | - | 9,468 |
| Due from other funds | 34,558 | 2,052 | 60,041 | 19,962 | 116,613 |
| Total assets | <u>\$ 44,026</u> | <u>\$ 2,052</u> | <u>\$ 408,486</u> | <u>\$ 273,763</u> | <u>\$ 728,327</u> |
| LIABILITIES | | | | | |
| Accrued wages | \$ 2,512 | \$ - | \$ - | \$ - | \$ 2,512 |
| Total liabilities | <u>2,512</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,512</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable receivables | 9,468 | - | - | - | 9,468 |
| Total deferred inflows of resources | <u>9,468</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>9,468</u> |
| FUND BALANCES | | | | | |
| Nonspendable | - | - | - | 237,682 | 237,682 |
| Restricted | - | - | - | 36,081 | 36,081 |
| Assigned | 32,046 | 2,052 | 408,486 | - | 442,584 |
| Total fund balances | <u>32,046</u> | <u>2,052</u> | <u>408,486</u> | <u>273,763</u> | <u>716,347</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 44,026</u> | <u>\$ 2,052</u> | <u>\$ 408,486</u> | <u>\$ 273,763</u> | <u>\$ 728,327</u> |

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TOWN OF BARRE, VERMONT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

| | Special Revenue Funds | | | Permanent Fund Cemetery Trust Fund | Total |
|--|-----------------------|--------------------|---------------------|--|------------|
| | Cemetery Fund | Recreation Fund | Reappraisal Fund | | |
| REVENUES: | | | | | |
| Property taxes | \$ 20,730 | \$ - | \$ - | \$ - | \$ 20,730 |
| Intergovernmental | - | - | 30,817 | - | 30,817 |
| Charges for services | 24,449 | - | - | 4,159 | 28,608 |
| Investment income | - | - | 489 | 10,860 | 11,349 |
| Total revenues | 45,179 | - | 31,306 | 15,019 | 91,504 |
| EXPENDITURES: | | | | | |
| Salaries | 35,821 | - | - | - | 35,821 |
| Equipment | 8,484 | - | - | - | 8,484 |
| Supplies | 4,173 | - | - | - | 4,173 |
| Buildings and grounds | 3,429 | - | - | - | 3,429 |
| Outside services | 870 | - | - | - | 870 |
| Insurance | 622 | - | - | - | 622 |
| Benefits | 5,445 | - | - | - | 5,445 |
| Total expenditures | 58,844 | - | - | - | 58,844 |
| Excess (Deficiency) of Revenues Over Expenditures | (13,665) | - | 31,306 | 15,019 | 32,660 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 11,226 | - | - | - | 11,226 |
| Transfers out | - | - | - | (11,226) | (11,226) |
| Total other financing sources (uses) | 11,226 | - | - | (11,226) | - |
| Net Change in Fund Balances | (2,439) | - | 31,306 | 3,793 | 32,660 |
| Fund Balances - July 1, 2014 | 34,485 | 2,052 | 377,180 | 269,970 | 683,687 |
| Fund Balances - June 30, 2015 | \$ 32,046 | \$ 2,052 | \$ 408,486 | \$ 273,763 | \$ 716,347 |

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TOWN OF BARRE, VERMONT
COMBINING SCHEDULE OF FUND NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2015

| | Equipment Fund | Building Maintenance Fund | Total |
|---|-------------------|---------------------------------|--------------|
| ASSETS | | | |
| Current assets: | | | |
| Accounts receivable | \$ 25,339 | \$ - | \$ 25,339 |
| Due from other funds | - | 234,248 | 234,248 |
| Prepaid expenses | 12 | - | 12 |
| Total current assets | 25,351 | 234,248 | 259,599 |
| Noncurrent assets: | | | |
| Capital assets | | | |
| Buildings and building improvements | 824,677 | 244,407 | 1,069,084 |
| Equipment and vehicles | 5,566,847 | - | 5,566,847 |
| Accumulated depreciation | (3,584,579) | (85,681) | (3,670,260) |
| Total noncurrent assets | 2,806,945 | 158,726 | 2,965,671 |
| Total assets | 2,832,296 | 392,974 | 3,225,270 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows related to the Town's participation in VMERS | 10,688 | - | 10,688 |
| Total deferred outflows of resources | 10,688 | - | 10,688 |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accrued wages | 6,152 | - | 6,152 |
| Due to other funds | 770,720 | - | 770,720 |
| Bonds, notes & leases payable - current portion | 205,884 | - | 205,884 |
| Total current liabilities | 982,756 | - | 982,756 |
| Noncurrent liabilities: | | | |
| Compensated absences payable | 13,126 | - | 13,126 |
| Net pension liability | 6,503 | - | 6,503 |
| Bonds, notes & leases payable - noncurrent portion | 716,732 | - | 716,732 |
| Total noncurrent liabilities | 736,361 | - | 736,361 |
| Total liabilities | 1,719,117 | - | 1,719,117 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflows related to the Town's participation in VMERS | 21,551 | - | 21,551 |
| Total deferred inflows of resources | 21,551 | - | 21,551 |
| NET POSITION | | | |
| Net investment in capital assets | 1,884,329 | 158,726 | 2,043,055 |
| Unrestricted (deficit) | (782,013) | 234,248 | (547,765) |
| Total net position | \$ 1,102,316 | \$ 392,974 | \$ 1,495,290 |

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TOWN OF BARRE, VERMONT
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

| | Equipment Fund | Building Maintenance Fund | Total |
|--|----------------------------|---------------------------------|----------------------------|
| OPERATING REVENUES: | | | |
| Charges for services | \$ 1,360,631 | \$ 53,765 | \$ 1,414,396 |
| Other | 51,046 | - | 51,046 |
| Total operating revenues | <u>1,411,677</u> | <u>53,765</u> | <u>1,465,442</u> |
| OPERATING EXPENSES: | | | |
| Salaries and benefits | 258,667 | - | 258,667 |
| Supplies | 437,240 | - | 437,240 |
| Outside services | 65,857 | - | 65,857 |
| Insurance | 40,181 | - | 40,181 |
| Equipment and tools | 25,200 | - | 25,200 |
| Buildings and grounds | 54,782 | 7,776 | 62,558 |
| Depreciation | 374,490 | 13,543 | 388,033 |
| Total operating expenses | <u>1,256,417</u> | <u>21,319</u> | <u>1,277,736</u> |
| INCOME FROM OPERATIONS | <u>155,260</u> | <u>32,446</u> | <u>187,706</u> |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Interest expense | (19,381) | - | (19,381) |
| Total nonoperating revenues (expenses) | <u>(19,381)</u> | <u>-</u> | <u>(19,381)</u> |
| Change in Net Position | 135,879 | 32,446 | 168,325 |
| Net Position - July 1, 2014, As Restated | <u>966,437</u> | <u>360,528</u> | <u>1,326,965</u> |
| Net Position - June 30, 2015 | <u><u>\$ 1,102,316</u></u> | <u><u>\$ 392,974</u></u> | <u><u>\$ 1,495,290</u></u> |

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Sullivan, Powers & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

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, 2015 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 June 24, 2016.

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.

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.

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

Compliance and Other Matters

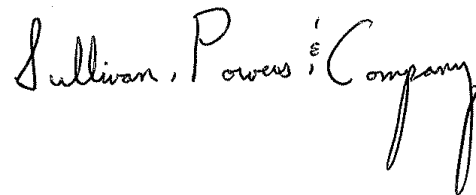
As part of obtaining reasonable assurance about whether the Town of Barre, Vermont's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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".

However, we noted certain other matters that we reported to the management of the Town of Barre, Vermont in a separate letter dated June 24, 2016.

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.

Montpelier, Vermont
VT Lic. #92-000180

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