

VILLAGE OF NORTH BENNINGTON, VERMONT

Financial Statements and Schedules

Year Ended June 30, 2020

(With Independent Auditor's Report Thereon)

Love, Cody & Company, CPAs

TABLE OF CONTENTS

SECTION I - FINANCIAL SECTION

Independent Auditor's Report.....	1
Management's Discussion and Analysis (Required Supplemental Information).....	4
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet – Governmental Funds	14
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	15
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities ..	17
Statement of Net Position – Modified Cash Basis – Water Fund.....	18
Statement of Revenues, Expenditures and Changes in Net Position - Modified Cash Basis – Water Fund.....	19
Statement of Cash Flows – Modified Cash Basis – Water Fund	20
Notes to Financial Statements	21
Required Supplemental Information Other Than MD&A:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	31
Other Supplemental Information:	
Combining Balance Sheet – Nonmajor Governmental Funds	34
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	35

SECTION II - COMPLIANCE AND INTERNAL CONTROL

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*



Independent Auditor's Report

The Board of Trustees
Village of North Bennington, Vermont

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of North Bennington, Vermont as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Village'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. The amounts reported for the Water Fund are presented on the modified cash basis of accounting. Management is responsible for the preparation and fair presentation of the Water Fund financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of North Bennington, Vermont (exclusive of the Water Fund), as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. With respect to amounts reported for the Water Fund, in our opinion, the financial statements present fairly, in all material respects, the financial position – modified cash basis of the Water Fund at June 30, 2020, and the changes in financial position – modified cash basis and cash flows – modified cash basis, thereof for the year then ended in conformity with the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements of the Water Fund are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. 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 -11 and budgetary comparison information on pages 31 - 33 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 Village of North Bennington, Vermont's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2021, on our consideration of the Village of North Bennington, 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 control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Bennington, Vermont's internal control over financial reporting and compliance.

Love, Cody & Company, CPAs, P.C.

September 24, 2021

Vt. Reg. #357

Love, Cody & Company, CPAs

**VILLAGE OF NORTH BENNINGTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2020**

The Management's Discussion and Analysis of the Village of North Bennington, Vermont's financial performance provides an overview of the Village's financial activities for the fiscal year ended June 30, 2020. It focuses on the year-end results and provides an objective analysis of the various funds the Village operates in the conduct of its business from a management perspective. It discusses both the government-wide and fund-based financial statements. Please read it in conjunction with the Village's financial statements, which immediately follow this section.

Financial Highlights

Government-wide financial statements:

- ❖ The assets of the Village of North Bennington exceeded its liabilities at the close of the most recent fiscal year by \$4,541,866 (net position). Of this amount, \$149,354 was unrestricted. Generally, unrestricted net position may be used by the various funds of the Village to meet the Village's ongoing obligations to its citizens and creditors.
- ❖ The Village's total net position stands at \$4,541,866, of which \$1,026,256 is attributable to governmental activities and \$3,515,610 is attributable to business-type activities.

Fund financial statements:

- ❖ As of the close of the 2020 fiscal year, the Village of North Bennington's governmental funds reported combined ending fund balances of \$514,288, an increase of \$33,054.

Overview of the Financial Statements

The financial section of this report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements, and additional required supplementary information. The basic financial statements include two kinds of statements that present different views of the Village. The Statement of Net Position and the Statement of Activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements for governmental activities report how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers a broad overview of the Village of North Bennington's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Village of North Bennington's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village of North Bennington is improving or deteriorating.

The statement of activities presents information showing how the government's net position has changed during the most recent fiscal year. All changes in net position are reported as soon as

**VILLAGE OF NORTH BENNINGTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2020**

the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of the Village of North Bennington that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village of North Bennington include general government, highway, fire department, and parks and recreation.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of North Bennington, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Village of North Bennington are classified into two categories: governmental funds and proprietary funds.

Governmental Funds

All of the Village'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 Village's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. The differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are reconciled in the schedules following each of the governmental fund financial statements.

Proprietary Funds

The Village of North Bennington reports activity for one propriety fund, the Water Fund. The Water Fund utilizes a modified cash basis of accounting and the activity included in the Village's financial statements is for the Water Department's calendar year ended December 31, 2018.

Notes

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information to provide additional financial information not included in the

**VILLAGE OF NORTH BENNINGTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2020**

basic financial statements. The notes to financial statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the Village's budget with actual General Fund revenues and expenditures. Other supplementary information consists of combining statements for the nonmajor governmental funds. The following table summarizes the major features of the Village's financial statements, including the portion of the Village's activities covered and the types of information within.

Major Features of the Government-wide and Fund Financial Statements

	Government-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire Village (except fiduciary funds)	The activities of the Village that are not proprietary or fiduciary. Includes general fund and special revenue funds.	The activities of the Village for which a fee is charged to external users (Water Department).
Required financial statements	- Statement of net position - Statement of activities	- Balance sheet - Statement of revenues, expenditures, and changes in fund balances	- Statement of net position or - Statement of revenues, expenses and changes in fund net position - Statement of cash flows
Accounting basis and measurement focus	Accrual basis of accounting and economic resources measurement focus	Modified accrual basis of accounting and current financial resources measurement focus	Modified cash basis of accounting and economic resources measurement focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; including capital assets
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid (modified cash basis for Water Fund).	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year recognized on a modified cash basis

**VILLAGE OF NORTH BENNINGTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2020**

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

This section summarizes information and data as related to the Statement of Net Position as of June 30, 2020 and the Statements of Activities for the year ended June 30, 2020.

Government-Wide Statements

The Village's combined net position decreased to approximately \$4,542 thousand at June 30, 2020. The analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Village's governmental activities including a 2019 comparative analysis of government-wide data.

**Table 1
Net Position (in Thousands)**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current assets	\$ 519	476	254	398	773	874
Capital assets, net	698	643	4,898	3,370	5,596	4,013
Total assets	1,217	1,119	5,152	3,768	6,369	4,887
Deferred outflows of financial resources	11	16	-	-	11	16
Total assets and deferred outflows	1,228	1,135	5,152	3,768	6,380	4,903
Liabilities						
Current liabilities	17	17	8	40	25	57
Long-term liabilities	185	83	1,628	49	1,813	132
Total liabilities	202	100	1,636	89	1,838	189
Net assets:						
Net position invested in capital assets	698	643	3,319	3,370	4,017	4,013
Restricted net position	376	339	-	-	376	339
Unrestricted net position	(48)	53	197	285	149	338
Total net position	\$ 1,026	1,035	3,516	3,655	4,542	4,690

The Village's liquidity – the ability to pay for its most immediate obligations – is measured by comparing current assets to current liabilities. The Village has current assets approximately 7.7 times greater than it does current liabilities.

The Village's solvency – the ability to fulfill its total obligations – is measured by comparing debt-to-assets ratio and debt-to-net position ratio. Debt-to-assets ratio, which equals 28.8%, computes the percent of assets financed with debt. Debt-to-net position ratio, which equals 40.5%, computes the amount that is owed for debt on every dollar that the Village has available for use providing programs.

**VILLAGE OF NORTH BENNINGTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2020**

The Village's capital assets, such as infrastructure, buildings and equipment, less outstanding debt used to acquire them, amount to \$3.8 million. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net position of \$376 thousand has been restricted by the voters or sources external to the Village to be used for specific purposes. The unrestricted net position of \$149 thousand may be used to meet the Village's ongoing activities.

**Table 2
Changes in Net Position (in Thousands)**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 1	3	355	340	356	343
Grants and contributions	58	98	-	-	58	98
General revenues:						
Property taxes	574	506	-	-	574	506
Other general revenues	67	19	1	2	68	21
Total revenues	700	626	356	342	1,056	968
Program expenses:						
General government	190	197	-	-	190	197
Highway department	398	312	-	-	398	312
Fire department	94	79	-	-	94	79
Parks and recreation	31	29	-	-	31	29
Water	-	-	519	434	519	434
Total expenses	713	617	519	434	1,232	1,051
Capital contributions	-	-	-	2,866	-	2,866
Change in net position	\$ (13)	9	(163)	2,774	(176)	2,783

Net position of the Village's governmental activities decreased by 1.3%, or \$13 thousand, while net position of the Village's business-type activities decreased by 4.4%, or \$163 thousand. Unrestricted net position comprises approximately 3.3% of the total net position.

**VILLAGE OF NORTH BENNINGTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2020**

**Table 3
Net Cost of Services
Governmental Activities
(in Thousands)**

	2020		2019	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 190	168	197	147
Highway department	398	367	312	269
Fire department	94	94	79	79
Parks and recreation	31	25	29	21
	\$ 713	654	617	516

The costs of providing governmental services amounted to approximately \$713 thousand for the year ended June 30, 2020. The cost of providing services is offset by charges for services and program-specific operating and capital grants, resulting in a net cost of services of approximately \$654 thousand. The net cost of services is funded by property taxes, investment earnings, and grants and contributions not restricted to specific programs.

Capital Assets

The following table presents the Village's capital assets at June 30, 2020, net of related accumulated depreciation. Additional information regarding capital assets is provided in footnote 5 of the accompanying financial statements.

**Table 4
Capital Assets at Year-end
Net of Depreciation (in Thousands)**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ -	-	188	89	188	89
Construction in progress	-	-	-	-	-	-
Land improvements	68	75	-	-	68	75
Buildings and improvements	62	68	14	14	76	82
Machinery and equipment	49	63	19	23	68	86
Heavy equipment and vehicles	467	380	-	-	467	380
Infrastructure	52	57	4,677	3,244	4,729	3,301
Totals	\$ 698	643	4,898	3,370	5,596	3,924

**VILLAGE OF NORTH BENNINGTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2020**

Long-term Debt

Long-term debt in the governmental funds consists of notes payable issued to acquire equipment. The Water Fund has general obligation bonds and a bond anticipation note outstanding.

**Table 5
Outstanding Debt at Year-end**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Notes payable	185,185	83,128	-	-	185,185	83,128
Bonds payable	-	-	1,628,457	89,002	1,628,457	89,002
	185,185	83,128	1,628,457	89,002	1,813,642	172,130

Additional information regarding long-term debt is provided in footnote 6 of the accompanying financial statements.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

With the help of a grant from the Microsoft Corporation we have added broadband wifi access to the Village Depot Offices parking lot and Lions Park. The Village thanks Justin McCoart, of Up and Running IT, who wanted to know if he could do something for the State to assist with the Covid-19 problem. He contacted the Vermont Department of Public Service and they came up with a plan to submit to Microsoft for funding. The wifi has been available for all Villagers needs and in particular students who need to access broadband for their classes or to upload/download work.

With the help of another State grant an EV (Electric Vehicle) charging station will be installed at the Village Depot Offices parking area by summer 2021. We are pleased to offer this option for visitors to our historic downtown. Studies have shown that charging opportunities play into consumers decisions about staying and/or shopping and dining in an area.

A new kiosk and signage have been added to the veterans' memorial park across from Lincoln Square and McCullough Library and at the Bank Street intersection. This beautiful project was conceptualized by our own resident and artist Joe Chirchirillo and primarily funded through a State Animating Infrastructures grant. These grants are designed to mix public art with functional municipal infrastructure. This project does so in a way that only Mr. Chirchirillo could have envisioned. Mr. Chirchirillo's work is beautiful, stark, timeless and has interwoven elements of the regions history to make it a permanent centerpiece to our downtown. Many thanks are deserved for this wonderful addition.

The North Bennington Water Improvement Project was completed in 2020 and should provide access to safe, clean drinking water for decades to come. In reviewing my notes from last year I had predicted that all construction would have been completed before summer. Due to COVID-

**VILLAGE OF NORTH BENNINGTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2020**

19 and other factors that did not become the reality. However, all work has been completed including clean up and some remediation work. We are happy to have this behind us and will welcome a period of several years to come with substantially less road construction.

Respectfully Submitted,

John B. Lamson, Chair
Trustees of the Village of North Bennington

Additional Financial Information

Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Village of North Bennington.

VILLAGE OF NORTH BENNINGTON, VERMONT
Statement of Net Position
June 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 383,176	253,882	637,058
Certificates of deposit	127,840	-	127,840
Delinquent property taxes receivable	2,225	-	2,225
Due from other governments	6,000	-	6,000
Capital assets:			
Land	-	187,985	187,985
Other capital assets, net of accumulated depreciation	697,949	4,710,299	5,408,248
Total assets	\$ 1,217,190	5,152,166	6,369,356
Deferred Outflows of Financial Resources			
Prepaid insurance	10,580	-	10,580
Total assets and deferred outflows of financial resources	1,227,770	5,152,166	6,379,936
Liabilities			
Accounts payable	\$ 13,069	-	13,069
Accrued payroll and benefits	3,179	8,099	11,278
Due to others	81	-	81
Notes and bonds payable:			
Due within one year	48,891	26,533	75,424
Due in more than one year	136,294	1,601,924	1,738,218
Total liabilities	201,514	1,636,556	1,838,070
Net position			
Invested in capital assets	697,949	3,318,798	4,016,747
Restricted	375,765	-	375,765
Unrestricted	(47,458)	196,812	149,354
Total net position	\$ 1,026,256	3,515,610	4,541,866

See accompanying notes to financial statements.

VILLAGE OF NORTH BENNINGTON, VERMONT
Statement of Activities
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 190,346	1,405	-	20,475	(168,466)	-	(168,466)
Highway department	398,014	-	31,260	-	(366,754)	-	(366,754)
Fire department	94,397	-	-	-	(94,397)	-	(94,397)
Parks and recreation	30,578	-	6,000	-	(24,578)	-	(24,578)
Total governmental activities	\$ 713,335	1,405	37,260	20,475	(654,195)	-	(654,195)
Business-type activities:							
Water	519,798	355,399	-	-	-	(164,399)	(164,399)
Total primary government:	1,233,133	356,804	37,260	20,475	(654,195)	(164,399)	(818,594)
General revenues:							
Property taxes					573,908	-	573,908
Interest - delinquent taxes					725	-	725
Investment earnings					925	994	1,919
Miscellaneous					65,514	-	65,514
Total general revenues					641,072	994	642,066
Change in net position					(13,123)	(163,405)	(176,528)
Net position - beginning					1,039,379	3,679,015	4,718,394
Net position - ending					\$ 1,026,256	3,515,610	4,541,866

See accompanying notes to financial statements.

VILLAGE OF NORTH BENNINGTON, VERMONT
Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Fire Truck Reserve Fund	Nonmajor Governmental Funds	Totals (Memorandum Only)
Assets				
Cash	\$ 135,251	-	247,925	383,176
Certificates of deposit	-	96,884	30,956	127,840
Delinquent property taxes receivable	2,225	-	-	2,225
Due from other governments	6,000	-	-	6,000
Total assets	\$ 143,476	96,884	278,881	519,241
Deferred Outflows of Financial Resources				
Prepaid insurance	10,580	-	-	10,580
Total assets and deferred outflows of financial resources	154,056	96,884	278,881	529,821
Liabilities				
Accounts payable	\$ 10,450	-	-	10,450
Accrued payroll and benefits	3,179	-	-	3,179
Due to others	81	-	-	81
Total liabilities	13,710	-	-	13,710
Deferred Inflows of Financial Resources				
Unavailable revenue - delinquent property taxes	1,823	-	-	1,823
Fund Balances				
Nonspendable	10,580	-	-	10,580
Restricted	-	96,884	278,881	375,765
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	127,943	-	-	127,943
Total fund balances	138,523	96,884	278,881	514,288
Total liabilities, deferred inflows of financial resources and fund balances	\$ 154,056	96,884	278,881	529,821

See accompanying notes to financial statements.

VILLAGE OF NORTH BENNINGTON, VERMONT
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
June 30, 2020

Total fund balances - governmental funds, page 14 \$ 514,288

Amounts reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Governmental capital assets	\$ 1,571,504	
Less accumulated depreciation	<u>(873,555)</u>	697,949

Other long-term assets (delinquent property taxes receivable) are not available to pay for current period expenditures and therefore are deferred in the funds.		1,823
---	--	-------

Long-term liabilities, including notes payable and accrued interest are not due and payable in the current period and therefore are not reported in the funds.		(187,804)
--	--	-----------

Net position - governmental activities, page 12		<u><u>\$ 1,026,256</u></u>
---	--	----------------------------

See accompanying notes to financial statements.

VILLAGE OF NORTH BENNINGTON, VERMONT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2020

	General Fund	Fire Truck Reserve Fund	Nonmajor Governmental Funds	Totals (Memorandum Only)
Revenues:				
Property taxes	\$ 572,163	-	-	572,163
Interest - delinquent taxes	725	-	-	725
Intergovernmental revenue	57,735	-	-	57,735
Zoning permits	1,405	-	-	1,405
Interest	440	189	296	925
Other	65,515	-	-	65,515
	697,983	189	296	698,468
Expenditures:				
General government	185,346	-	-	185,346
Highway department	530,428	-	-	530,428
Fire department	52,533	-	-	52,533
Parks and recreation	22,107	-	-	22,107
	790,414	-	-	790,414
Excess of revenues over expenditures	(92,431)	189	296	(91,946)
Other financing sources (uses):				
Proceeds from issuance of long-term debt	125,000	-	-	125,000
Operating transfers in	35,694	20,000	52,500	108,194
Operating transfers out	(72,500)	-	(35,694)	(108,194)
	88,194	20,000	16,806	125,000
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(4,237)	20,189	17,102	33,054
Fund balances, July 1, 2019	142,760	76,695	261,779	481,234
Fund balances, June 30, 2020	\$ 138,523	96,884	278,881	514,288

See accompanying notes to financial statements.

VILLAGE OF NORTH BENNINGTON, VERMONT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
to the Statement of Activities
Year Ended June 30, 2020

Net change in fund balances - governmental funds, page 16	\$	33,054
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures however, in the statement of activities, the cost of these assets is depreciated over their estimated useful lives.</p>		
Expenditures for capital assets	\$ 174,305	
Less: current year depreciation and amortization	<u>(119,779)</u>	54,526
<p>Revenues in the statement of activities that do not provide current financial resources (property taxes not collected within 60 days of fiscal year end) are not reported as revenues in the funds. This amount represents a decrease in deferred property taxes.</p>		
		1,745
<p>Issuing notes and bonds provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.</p>		
		(125,000)
<p>Repayment of principal on notes and bonds is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
		22,943
<p>Accrued interest on long-term debt is not recognized in the governmental funds. This amount represents a decrease in accrued interest payable.</p>		
		(391)
Change in net position - governmental activities, page 13	\$	<u><u>(13,123)</u></u>

See accompanying notes to financial statements.

VILLAGE OF NORTH BENNINGTON, VERMONT
Statement of Net Position - Modified Cash Basis - Water Fund
June 30, 2020

Assets	
Current assets:	
Cash and cash equivalents	\$ 253,882
Total current assets	253,882
Noncurrent assets:	
Capital assets:	
Land	187,985
Other capital assets, net of accumulated depreciation	4,710,299
Total noncurrent assets	4,898,284
Total assets	\$ 5,152,166
Liabilities	
Current liabilities:	
Payroll withholdings	\$ 8,099
General obligation bonds payable	26,533
Total current liabilities	34,632
Noncurrent liabilities:	
Bond anticipation note	1,579,486
General obligation bonds payable	22,438
Total noncurrent liabilities	1,601,924
Total liabilities	1,636,556
Net Position	
Invested in capital assets, net of debt	3,318,798
Unrestricted	196,812
Total net position	3,515,610
Total liabilities and net position	\$ 5,152,166

See accompanying notes to financial statements.

VILLAGE OF NORTH BENNINGTON, VERMONT
Statements of Revenues, Expenses and Changes in
Net Position - Modified Cash Basis - Water Fund
Year Ended June 30, 2020

<i>Operating revenues:</i>	
Fees and charges for services	\$ 355,399
<i>Total operating revenues</i>	355,399
<i>Operating expenses:</i>	
Salaries and wages	115,235
Payroll taxes and employee benefits	18,618
Bookkeeping services	18,762
Depreciation expense	176,904
General insurance	10,692
Health insurance	36,769
Heat, fuel and light	25,631
Office expenses	10,198
Operating supplies	19,356
Other operating expenses	37,132
Professional fees	15,120
Repairs and maintenance	35,381
<i>Total operating expenses</i>	519,798
<i>Operating loss</i>	(164,399)
<i>Nonoperating revenues (expenses):</i>	
Interest income	994
<i>Total nonoperating revenues (expenses)</i>	994
<i>Change in net position</i>	(163,405)
<i>Net position, beginning of year</i>	3,679,015
<i>Net position, end of year</i>	\$ 3,515,610

See accompanying notes to financial statements.

VILLAGE OF NORTH BENNINGTON, VERMONT
Statement of Cash Flows - Modified Cash Basis - Water Fund
Year Ended June 30, 2020

<i>Cash flows from operating activities:</i>	
Cash received from customers	\$ 355,399
Cash paid to employees	(107,136)
Cash paid to suppliers	(227,659)
<i>Net cash provided by operating activities</i>	20,604
<i>Cash flows from capital and related financing activities:</i>	
Principal payments on notes and bonds payable	(40,031)
Interest paid	-
Advances on bond anticipation note	1,579,486
Purchase of capital assets	(1,704,984)
<i>Net cash used in capital and related financing activities</i>	(165,529)
<i>Cash flows from investing activities:</i>	
Interest on cash investments	994
<i>Net cash provided by investing activities</i>	994
<i>Net decrease in cash</i>	(143,931)
<i>Cash balance, beginning of year</i>	397,813
<i>Cash balance, end of year</i>	\$ 253,882
<i>Reconciliation of operating income (loss) to net cash provided by operating activities:</i>	
Operating loss	\$ (164,399)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	176,904
Increase in payroll withholdings	8,099
<i>Net cash provided by operating activities</i>	\$ 20,604

See accompanying notes to financial statements.

VILLAGE OF NORTH BENNINGTON, VERMONT

Notes to Financial Statements

(1) **Summary of Significant Accounting Policies**

(a) **Financial Reporting Entity**

The Village of North Bennington, Vermont is a unit of local government created by charter in 1904. The Village operates under a Board of Trustees form of government and provides services as outlined in its charter.

The financial statements of the Village of North Bennington, Vermont include all of the financial activity of the general government, special revenue, and proprietary funds. These components are included because they are under the direct control of the Board of Trustees. The Village exercises significant oversight, and financial interdependence exists. The Village is not a component unit of another reporting entity.

The financial statements of the Village of North Bennington, Vermont do not include the financial activity of the Village School of North Bennington because the Board of Trustees does not have control over the School and the Village does not exercise significant oversight.

The Village applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

(b) **Basis of Presentation**

The basic financial statements include both government-wide (based on the Village as a whole) and fund financial statements.

Government-wide Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the Village. Eliminations have been made to minimize the effect of internal transactions between funds. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

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

Fund Financial Statements

The fund statements provide information about the Village's funds. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds.

The financial activities of the Village that are reported in the accompanying financial statements have been classified in the major funds described in the following paragraphs.

(continued)

VILLAGE OF NORTH BENNINGTON, VERMONT

Notes to Financial Statements

(1) **Summary of Significant Accounting Policies (continued)**

(b) **Basis of Presentation (continued)**

Governmental Funds

General Fund - The General Fund is used to account for all revenues and expenditures applicable to the general operations of the governmental agencies of the Village. All general operating revenues which are not restricted as to use by sources external to the Village are recorded in the General Fund.

Special Revenue Funds - The Special Revenue Funds are operating funds for which the use of revenues is restricted, generally by the voters of the Village of North Bennington. The Village uses ten Special Revenue Funds: the Firehouse Reserve Fund, Salt Shed Reserve Fund, Sidewalk Reserve Fund, Backhoe Reserve Fund, Tractor Reserve Fund, Truck Reserve Fund, Audit Reserve Fund, Village Contingency Fund, Depot Renovation Fund and the Parks Reserve Fund.

Proprietary Funds

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. The Village uses one Enterprise Fund, the Water Fund, which maintains its accounting records on a calendar year basis. The amounts reported in the accompanying financial statements are for the Water Fund's year ended December 31, 2019.

(c) **Measurement Focus and Basis of Accounting**

The Village has implemented the provisions of Governmental Accounting Standards Board, Statement 34 (GASB 34) which requires the Village to present government-wide financial statements which include capital assets and related depreciation. In addition, GASB 34 requires the presentation of management's discussion and analysis of the Village's financial performance and activities for the fiscal year.

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Village considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year, except for property taxes which are recognized if collected within 60 days of year-end.

(continued)

VILLAGE OF NORTH BENNINGTON, VERMONT

Notes to Financial Statements

(1) Summary of Significant Accounting Policies (continued)

(c) Measurement Focus and Basis of Accounting (continued)

The Water Fund is maintained on the modified cash basis; with no recognition being given to assets and liabilities or revenues and expenditures or expenses until cash has been received or disbursed. Under generally accepted accounting principles the Water Fund would follow the accrual basis of accounting. Such basis would require recognition of assets and liabilities which are not recognized in the accompanying financial statements. It is not practicable to determine the amounts of such assets and liabilities.

(d) Budgets and Budgetary Accounting

The Village follows these procedures in establishing the budgetary data for the General Fund reflected in the financial statements.

1. The Board of Trustees and Village Clerk prepare the annual operating budget for the General Fund for the Village's year ended June 30. The operating budget includes proposed expenditures and the means of financing them.
2. Prior to March of the current year, the Village distributes to its citizens a "Village Report" which contains the warning for the annual Village meeting and the proposed operating budget for the year.
3. In March of the current year, an annual Village meeting is held and the budget is legally enacted by a general Village vote.
4. Budget revisions must be approved by the Board of Trustees.

(e) Cash and Cash Equivalents

Cash includes amounts in demand deposits as well as investments in certificates of deposit.

(f) Capital Assets

Property and equipment is stated at known or estimated historical cost. Net interest costs are capitalized on projects during the construction period. Depreciation is computed using the straight-line method over estimated useful lives. The Village's policy for determining capital assets and their respective depreciable lives is as follows:

	Capitalization Threshold	Minimum Life (years)
Land	5,000	N/A
Office furniture, fixtures and equipment	5,000	5
Machinery and equipment	5,000	5
Building improvements	5,000	10
Land improvements	7,500	10
Heavy equipment and vehicles	10,000	5 or 7
Infrastructure	15,000	20
Buildings	10,000	30

(continued)

VILLAGE OF NORTH BENNINGTON, VERMONT

Notes to Financial Statements

(1) **Summary of Significant Accounting Policies (continued)**

(f) **Capital Assets (continued)**

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period in the government-wide and proprietary fund financial statements. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized. Deduction is made for retirements resulting from renewals or betterments.

Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc.

(g) **Encumbrance Accounting**

Encumbrances outstanding at year-end are recorded as a reservation of fund balance in the Village's governmental funds, since they do not constitute expenditures or liabilities.

(h) **Compensated Absences**

In the government-wide financial statements long-term obligations are reported as liabilities in the applicable statement of net position.

The current portion of accumulated unpaid vacation pay and compensatory leave is accrued when incurred in governmental funds (using the modified accrual basis of accounting). Accumulated unpaid sick pay is paid to Village employees only while employed.

(i) **Risk Management**

The Village is exposed to various risks of loss related to general liability, property and casualty, workers' compensation, employee health and accident and environmental liability. The Village purchases commercial insurance coverage for the risks of losses to which it is exposed, with the exception for environmental liabilities for which coverage is not available.

(j) **Total Columns**

Total Columns are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in fund balances in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

(k) **Net Position/Governmental Fund Balance**

The Village has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Non-spendable fund balance is either not in spendable form (such as inventory), or is required to be maintained intact legally or contractually.

(continued)

VILLAGE OF NORTH BENNINGTON, VERMONT

Notes to Financial Statements

(1) **Summary of Significant Accounting Policies (continued)**

(k) **Net Position/Governmental Fund Balance (continued)**

Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance—amounts constrained to specific purposes by the Village itself, using its highest level of decision-making authority (i.e. Board of Trustees). To be reported as committed, amounts cannot be used for any other purpose unless the Board of Trustees takes the same highest level action to remove or change the constraint.

Assigned fund balance—amounts the Village intends to use for a specific purpose. Intent can be expressed by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority.

Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the general fund.

In the government-wide financial statements, net position is classified in the following categories:

Invested in Capital Assets, Net of Related Debt – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category includes both designated and undesignated net position of the Village. Designated net position include reserves that were established by the Board, which are considered internally designated. Undesignated net position are not restricted for any project or other purpose.

(l) **Interfund Receivables and Payables**

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses (transfers out) in the reimbursing fund and as reductions of the expenditures or expenses (transfers in) in the fund that is reimbursed.

(m) **Use of Accounting Estimates**

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

VILLAGE OF NORTH BENNINGTON, VERMONT

Notes to Financial Statements

(2) Explanation of Certain Differences Between Governmental Fund Statements and the Government-wide Statements

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the government-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

The total of fund balances of the Village's governmental funds differs from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of the categories listed below.

1. Long-Term Revenue and Expense Differences - Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.
2. Long-Term Debt Transaction Differences - Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.
3. Capital Assets - Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

(3) Cash

Deposits are maintained in more than one financial institution and are carried at cost. The carrying amount of the Village's cash balances at June 30, 2020 was \$764,898, with a corresponding bank balance of \$1,030,254. Of the bank balance, \$721,315 was insured by the Federal Deposit Insurance Corporation, and \$308,939 was collateralized with collateral held by the pledging financial institution in the Village's name.

Custodial Credit Risk and Interest Rate Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. At year end, none of the Village's investments were subject to custodial credit risk.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investments are limited to certificates of deposit and are not subject to interest rate risk.

VILLAGE OF NORTH BENNINGTON, VERMONT

Notes to Financial Statements

(4) **Internal Balances**

During the course of normal operations, the Village has various transactions between funds including expenditures and transfers of resources primarily to provide services. The governmental fund financial statements generally reflect such transactions as transfers. Transfers among funds are provided for as part of the annual budget process. Transfers are used to move revenues from the fund required to collect the revenue to the fund required or authorized to expend them.

Internal transfers for the year ended June 30, 2020 were as follows:

Transfer From	Transfer To	Amount	Purpose
General	Firehouse Reserve Fund	\$ 5,000	Voted appropriation
General	Fire Truck Reserve Fund	20,000	Voted appropriation
General	Fire Equipment Reserve Fund	2,000	Voted appropriation
General	Sidewalk Reserve Fund	5,000	Voted appropriation
General	Backhoe Reserve Fund	4,500	Voted appropriation
General	Tractor Reserve Fund	3,000	Voted appropriation
General	Truck Reserve Fund	26,000	Voted appropriation
General	Audit Reserve Fund	1,000	Voted appropriation
General	Village Contingency Fund	1,000	Voted appropriation
General	Parks Reserve Fund	5,000	Voted appropriation
Audit Reserve Fund	General	10,000	Fund Capital Outlay
Depot Renovation Fund	General	15,229	Fund Capital Outlay
Sidewalk Reserve Fund	General	8,000	Fund Capital Outlay
Truck Reserve Fund	General	2,465	Fund Capital Outlay
		\$ 108,194	

(5) **Capital Assets**

Capital asset activity for the year was as follows:

	Balance 06/30/19	Additions	Transfers and Disposals	Balance 06/30/20
Governmental activities:				
Land improvements	\$ 139,428	-	-	139,428
Buildings and improvements	259,991	-	-	259,991
Machinery and equipment	92,130	-	-	92,130
Heavy equipment and vehicles	971,201	174,305	(165,551)	979,955
Infrastructure	100,000	-	-	100,000
Totals at historical cost	1,562,750	174,305	(165,551)	1,571,504
Less accumulated depreciation for:				
Land improvements	(64,426)	(6,971)	-	(71,397)
Buildings and improvements	(192,162)	(6,199)	-	(198,361)
Machinery and equipment	(29,497)	(13,608)	-	(43,105)
Heavy equipment and vehicles	(590,742)	(88,001)	165,551	(513,192)
Infrastructure	(42,500)	(5,000)	-	(47,500)
	(919,327)	(119,779)	165,551	(873,555)
Governmental capital assets, net	\$ 643,423	54,526	-	697,949

(continued)

VILLAGE OF NORTH BENNINGTON, VERMONT

Notes to Financial Statements

(5) **Capital Assets (continued)**

Depreciation expense was charged to governmental functions as follows:

General	\$	5,000
Public works		64,444
Fire		41,864
Parks		8,471
	\$	<u>119,779</u>

	Beginning Balance	Additions	Transfers and Disposals	Ending Balance
Business-type activities:				
Land	\$ 88,650	99,335	-	187,985
Construction in progress	-	-	-	-
Buildings and improvements	26,112	-	-	26,112
Equipment	148,054	-	-	148,054
Water meter system	61,490	-	-	61,490
Water lines and hydrants	3,452,768	1,605,649	-	5,058,417
Water filtration plant	2,046,261	-	-	2,046,261
Totals at historical cost	5,823,335	1,704,984	-	7,528,319
Accumulated depreciation	(2,453,131)	(176,904)	-	(2,630,035)
	\$ 3,370,204	1,528,080	-	4,898,284

(6) **Long-term Debt**

Long-term liability activity for the year was as follows:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Note payable	\$ 83,128	125,000	22,943	185,185	48,891
Business-type activities:					
General obligation bonds	89,002	-	40,031	48,971	26,533
Bond anticipation note	-	1,579,486	-	1,579,486	-
	89,002	1,579,486	40,031	1,628,457	26,533
Total	172,130	1,704,486	62,974	1,813,642	75,424

On March 14, 2019 the Water Department issued a bond anticipation note providing for advances of up to \$2,195,000. The note bears interest at 2.85% per annum and matured August 3, 2020. Advances under the bond anticipation note amounted to \$1,579,486 at December 31, 2019. At June 30, 2020 advances under the note amounted to \$1,970,254. The note is presented as non-current in anticipation of its being replaced with long-term bonds, however it is not included in the following debt service requirements schedule as the final amount due and maturities thereof are not known as of the date of these financial statements.

(continued)

VILLAGE OF NORTH BENNINGTON, VERMONT

Notes to Financial Statements

(6) *Long-term Debt (continued)*

Maturities of principal and interest are as follows:

Year ending,	Principal	Interest	Total
Governmental activities:			
June 30, 2021	\$ 48,891	5,991	54,882
June 30, 2022	45,702	4,292	49,994
June 30, 2023	40,592	2,858	43,450
June 30, 2024	25,000	1,475	26,475
June 30, 2025	25,000	737	25,737
	\$ 185,185	15,353	200,538
Business-type activities:			
December 31, 2020	\$ 26,533	-	26,533
December 31, 2021	22,438	-	22,438
	\$ 48,971	-	48,971

(7) *Governmental Fund Balances*

The Village's fund balance classifications at June 30, 2020 are as follows:

	General Fund	Special Revenue Funds	Total
<i>Nonspendable</i>	\$ 10,580	-	10,580
<i>Restricted for:</i>			
Fire truck capital outlays	-	96,884	96,884
Fire equipment expenditures	-	6,001	6,001
Firehouse improvements	-	29,455	29,455
Salt shed	-	8,638	8,638
Sidewalk capital outlays	-	22,318	22,318
Backhoe capital outlays	-	13,518	13,518
Tractor capital outlays	-	26,284	26,284
Truck capital outlays	-	81,122	81,122
Audit expenditures	-	27,136	27,136
Contingencies	-	21,729	21,729
Depot renovations	-	17,659	17,659
Park expenditures	-	25,021	25,021
<i>Unassigned</i>	127,943	-	127,943
Total fund balances	\$ 138,523	375,765	514,288

(8) *Property Taxes*

Property taxes attach as an enforceable lien on property as of April 1st. Taxes were levied in early September and were payable November 12, 2019.

VILLAGE OF NORTH BENNINGTON, VERMONT

Notes to Financial Statements

(9) Retirement Plan

The Village makes discretionary contributions to individual retirement accounts on behalf of all full-time employees. Contributions amounted to \$5,275 (highway department) and \$8,454 (water fund).

(10) Deferred Outflows and Deferred Inflows of Financial Resources

Deferred outflows of financial resources in the General Fund consisted of prepayments for insurance coverage for the subsequent fiscal year. Deferred inflows of financial resources in the General Fund consisted of \$1,823 in delinquent taxes receivable and related penalty and interest not collected within 60 days of year-end.

(11) Subsequent Events

Management has evaluated subsequent events through September 24, 2021 the date the financial statements were available to be issued.

VILLAGE OF NORTH BENNINGTON, VERMONT
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended June 30, 2020

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property taxes	\$ 568,061	572,163	4,102
Interest - delinquent taxes	-	725	725
Intergovernmental revenue - State of Vermont:			
Highways - quarterly maintenance	31,000	31,260	260
Other	-	20,475	20,475
Town of Bennington - recreation	6,000	6,000	-
Zoning permits	2,700	1,405	(1,295)
Traffic fines	-	194	194
Sale of equipment	-	62,915	62,915
Interest	-	440	440
Other revenue	-	2,406	2,406
Total revenues	607,761	697,983	90,222
Expenditures:			
General government:			
Village Treasurer	4,300	4,300	-
Village Clerk	4,000	4,000	-
Trustees fees	1,500	1,500	-
Village Secretary	4,300	4,634	(334)
Village Bookkeeper	4,700	5,050	(350)
Trustees expenses	500	295	205
Village office	16,200	31,756	(15,556)
Depot maintenance and repair	7,000	11,160	(4,160)
Storage shed maintenance	2,000	3,400	(1,400)
Planning and zoning	9,500	7,297	2,203
	54,000	73,392	(19,392)
Fire department:			
Officer pay	3,725	3,245	480
Drill pay	-	610	(610)
Communication	3,000	4,508	(1,508)
New equipment	5,000	2,701	2,299
Truck maintenance	5,000	4,171	829
Gas and oil	5,000	3,861	1,139
Training	3,000	2,990	10
Gear replacement	20,000	20,285	(285)
Utilities	10,000	8,451	1,549
Repair and maintenance	-	1,511	(1,511)
Special police	250	200	50
	54,975	52,533	2,442

VILLAGE OF NORTH BENNINGTON, VERMONT
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund (continued)
Year Ended June 30, 2020

	Budget	Actual	Variance Favorable (Unfavorable)
Parks and recreation:			
Street lights	\$ 17,000	14,955	2,045
Trees and parks	5,000	7,152	(2,152)
	22,000	22,107	(107)
Highway department:			
Wages	101,500	88,486	13,014
Payroll taxes	7,950	6,520	1,430
Health insurance	10,000	5,000	5,000
Retirement	7,600	5,275	2,325
Highway maintenance	86,000	136,468	(50,468)
Salt and sand	24,000	25,537	(1,537)
New equipment	22,000	187,372	(165,372)
Sidewalk tractor	10,000	9,958	42
Backhoe/dump truck	16,236	16,236	-
Equipment maintenance and repair	5,000	4,665	335
Vehicle maintenance	15,000	12,462	2,538
Gas, diesel and fuel	10,000	8,756	1,244
Gravel	-	1,302	(1,302)
Highway garage	12,000	22,391	(10,391)
	327,286	530,428	(203,142)
Payments to other organizations:			
McCullough Library	25,000	25,000	-
Park McCullough House	1,500	1,500	-
Sage City Symphony	500	500	-
Vermont Arts Exchange	5,000	5,000	-
Bennington County Regional Commission	5,000	5,000	-
Grandview Cemetary	2,000	2,000	-
Paran Recreation	4,500	4,500	-
Roundtable Council	1,000	1,000	-
Tree Committee	1,500	1,500	-
Sunrise Family Resource Center	500	500	-
Outdoor Sculpture Show	500	500	-
	47,000	47,000	-
Grant expenditures:			
Depot renovation expense	-	35,704	(35,704)
	-	35,704	(35,704)

(continued)

VILLAGE OF NORTH BENNINGTON, VERMONT
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund (continued)
Year Ended June 30, 2020

	Budget	Actual	Variance Favorable (Unfavorable)
Other expenditures:			
Insurance	\$ 30,000	29,250	750
Total expenditures	535,261	790,414	(255,153)
Excess of revenues over expenditures	72,500	(92,431)	(164,931)
Other financing sources (uses):			
Proceeds form issuance of long-term debt	-	125,000	125,000
Operating transfers in:			
Audit reserve fund	-	10,000	10,000
Depot renovation fund	-	15,229	15,229
Sidewalk reserve fund	-	8,000	8,000
Truck reserve fund	-	2,465	2,465
	-	35,694	35,694
Operating transfers out:			
Audit reserve fund	(1,000)	(1,000)	-
Fire truck reserve fund	(20,000)	(20,000)	-
Fire equipment reserve fund	(2,000)	(2,000)	-
Fire house reserve fund	(5,000)	(5,000)	-
Parks reserve fund	(5,000)	(5,000)	-
Sidewalk reserve fund	(5,000)	(5,000)	-
Backhoe reserve fund	(4,500)	(4,500)	-
Tractor reserve fund	(3,000)	(3,000)	-
Truck reserve fund	(26,000)	(26,000)	-
Village Contingency Fund	(1,000)	(1,000)	-
	(72,500)	(72,500)	-
Total other financing sources (uses)	(72,500)	88,194	35,694
Excess (deficiency) of revenues and other financing sources sources over expenditures and other financing uses	\$ -	(4,237)	(4,237)

VILLAGE OF NORTH BENNINGTON, VERMONT
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2020

	Firehouse Reserve Fund	Fire Equipment Fund	Salt Shed Reserve Fund	Sidewalk Reserve Fund	Backhoe Reserve Fund	Tractor Reserve Fund	Truck Reserve Fund	Audit Reserve Fund	Village Contingency Fund	Depot Renovation Fund	Parks Reserve Fund	Totals
Assets												
Cash	\$ 29,455	6,001	-	-	13,518	26,284	81,122	27,136	21,729	17,659	25,021	247,925
Certificates of deposit	-	-	8,638	22,318	-	-	-	-	-	-	-	30,956
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 29,455	6,001	8,638	22,318	13,518	26,284	81,122	27,136	21,729	17,659	25,021	278,881
Fund Balances												
Fund balance: Restricted	\$ 29,455	6,001	8,638	22,318	13,518	26,284	81,122	27,136	21,729	17,659	25,021	278,881
Total fund balances	29,455	6,001	8,638	22,318	13,518	26,284	81,122	27,136	21,729	17,659	25,021	278,881
Total liabilities and fund balances	\$ 29,455	6,001	8,638	22,318	13,518	26,284	81,122	27,136	21,729	17,659	25,021	278,881

VILLAGE OF NORTH BENNINGTON, VERMONT
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2020

	Firehouse Reserve Fund	Fire Equipment Fund	Salt Shed Reserve Fund	Sidewalk Reserve Fund	Backhoe Reserve Fund	Tractor Reserve Fund	Truck Reserve Fund	Audit Reserve Fund	Village Contingency Fund	Depot Renovation Fund	Parks Reserve Fund	Totals
Revenues:												
Interest	\$ 11	1	22	24	12	30	75	41	27	43	10	296
Total revenue	11	1	22	24	12	30	75	41	27	43	10	296
Expenditures:												
Operating expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Excess of revenues over expenditures	11	1	22	24	12	30	75	41	27	43	10	296
Other financing sources (uses):												
Operating transfers in	5,000	2,000	-	5,000	4,500	3,000	26,000	1,000	1,000	-	5,000	52,500
Operating transfers out	-	-	-	(8,000)	-	-	(2,465)	(10,000)	-	(15,229)	-	(35,694)
	5,000	2,000	-	(3,000)	4,500	3,000	23,535	(9,000)	1,000	(15,229)	5,000	16,806
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	5,011	2,001	22	(2,976)	4,512	3,030	23,610	(8,959)	1,027	(15,186)	5,010	17,102
Fund balances, July 1, 2019	24,444	4,000	8,616	25,294	9,006	23,254	57,512	36,095	20,702	32,845	20,011	261,779
Fund balances, June 30, 2020	\$ 29,455	6,001	8,638	22,318	13,518	26,284	81,122	27,136	21,729	17,659	25,021	278,881



**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***

The Board of Trustees
Village of North Bennington, Vermont

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 Village of North Bennington, Vermont, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Village of North Bennington, Vermont's basic financial statements, and have issued our report thereon dated September 24, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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 Village of North Bennington, Vermont's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Love, Cody & Company, CPAs, P.C.

September 24, 2021

Vt. Reg. #357

Love, Cody & Company, CPAs